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Why participation works

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Why participation works

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in the implementation of
the customer relationship management
type of organizational change

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I dedicate this dissertation to my father for his encouragement to always aim slightly higher

PREFACE

In my job as a change consultant for over ten years, first at Accenture and then at Deloitte, I have actively supported dozens of client organizational changes. Often, the outcomes of these organizational changes differed more or less from the initial goals that were set by intelligent and experienced people. That surprised me. Why couldn't these people steer an organization exactly to the desired outcomes? What caused organizational change outcomes to change themselves?

Those questions made me think. After a while the idea appeared, that unknown influences must alter the outcomes of organizational changes. After expressing my preliminary thoughts, several scholars from the University of Groningen challenged me to precise this subject and to create my personal contribution to science. The foregoing reveals in a nutshell why I started working on my Ph.D. research for one day a week, next to my consultancy job.

Combining two tasks, practical field work as a consultant and theoretical research as a Ph.D. student, was never easy. The practical field work demanded over fifty work hours excluding twenty travel hours on average per week. Several much busier weeks did not leave room for any other activities at all, causing a temporary stand still in my research. However, during less busy weeks the combination of practical field work and theoretical research revealed some synergy, because several organizations that my colleagues and me supported to change, contributed quantitative data and qualitative insights to my research. I would like to thank my consultancy colleagues and the managers of those organizations for inspiration.

This final product of my Ph.D. research has been shaped with guidance from several persons. I would like to thank Prof. dr. Peter C. Verhoef for his goal oriented suggestions and Dr. Ben J.M. Emans for his many detailed improvements. Furthermore, I would like to thank Prof. dr. Janny C. Hoekstra for her ability to ignite insights, Matilda Dorotic M.Sc. for her Lisrel revelations, Dr. Marian J. Oosterhuis and Drs. Frouke M. de Poel for their helpful guidance, Dr. Martin J. Land for his process support and Prof. dr. Arndt M. Sorge for his useful ideas. Furthermore, I would like to thank my promotion committee and all colleagues with whom I shared experiences and office spaces. Last but not least, I would like to thank Esther, Tijmen, my parents and everyone who always believe(d) in me.

Lemmer,

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1 INTRODUCTION

The upcoming section will explain the current research background, followed by the research scope, the research objective, the research question and the research model. Towards the end of this chapter, the outline of this dissertation will be presented. Altogether, the contents of this chapter form the introduction of this dissertation on the role of employee participation in customer relationship management organizational change.

1.1 RESEARCH BACKGROUND

The research underlying this dissertation combines insights in two research areas: human resource management (HRM) and customer relationship management (CRM). The foundation of the current research will be presented hereafter, followed by the justification why those two research areas are combined.

Research foundation: human resource management (HRM)

Viewed from the human resource management (HRM) perspective every organization needs a founder to start, a worker to develop and a change agent to adapt (Armenakis & Bedeian, 1999). Those founders, workers and change agents are often indicated by the term employees. Without (an) employee(s), no organization can start, live, grow, nor survive. Stated more positively: organizations *are* employees pursuing their interests by being formally assigned to a common purpose (Pusic, 1998, page 65). Employees are so crucial for reaching a common purpose, because they bring not only their hands to work; they also bring their headsⁱ. With the use of hands and heads, employees drive organizations. Following this view, organizational behavior usually results from the behavior of (many)

ⁱ The ability of using of hands and heads, respectively doing and thinking, is what makes the difference between employees and for example technology. The underlying philosophy goes back to the Human Relations vision of for example McGregor (1960, 1966), who stated what an employee could do more than a machine. Still today, despite many findings and insights, technology is created by employees and therefore will follow their orders. The foregoing considers employees as the drivers within organizations, while all other organizational elements –like technology, structure, procedures– are considered followers to those drivers.

individual employees within an organization. Such individual employee behavior can make the difference between organizational (change) success or failure (Armenakis & Bedeian, 1999; Blake, Mouton & McCanse, 1989; Piderit, 2000, Schneider, Brief & Guzzo, 1996). Employees influencing organizational or organizational change behavior are often referred to under the label *participation*. The term participation refers to the following definitions:

- ✓ Participation was first defined as group involvement or group decision making, equalization of influence or power sharing, worker involvement and delegation, while nowadays scholars seem to have focused on the decision-making aspect and defined participation as involvement in organizational decision making (Cooper, 2002).

Participation is popular in many organizations. Research from Lawler, Mohrman & Benson (2001) on the Fortune 1000 firms between 1996 and 1999 showed that 66 to 75 per cent of these organizations used some form of participation. Like the popularity of participation among managers, so is its popularity among scholars. Literature describing (employee) participation is extensive: hundreds of publications can be found. Interestingly, scholars seem not to agree whether participation is positively related to organizational development and organizational change, or negatively. They described opposing views:

- In the positive view, participation is recommended as an instrument to make organizational change successful. Armenakis & Bedeian (1999) examined the theoretical and empirical organizational change literature over nine years starting from 1990. They concluded that participation is an important prerequisite in achieving organizational change success. Unfortunately, they did not make a distinction between the individual employees' aggregation level and the organizational aggregation level. This distinction was described in Dachler & Wilpert (1978) and translated into a framework in Glew, O'Leary-Kelly, Griffin & Van Fleet (1995). These scholars wrote that participation leads to outcomes on the individual employee and on the organizational level. Furthermore, Wilpert (1998) stated that participation of individual employees implies an improved attitude of self-determination, which is a critical condition of intrinsic motivation to master one's environment. This environment may be an organization, a country, etcetera. Wilpert added, that in industrial countries the level of education of the population is rising. A consequence of this trend is a general change in expectations regarding increased autonomy and self-realization in one's work and as a consequence, demand for participation is rising. Inspiration for this positive view on participation can be found in several studies, like Coch & French (1948), where participation in the production department of a pajamas factory had led to successful changes. Today, this positive view is often associated with the Dutch term 'poldermodel', which implies that when everyone is involved, something arises that improves relations between individual participants while they bond

together, which in turn leads to more successful outcomes of a change. Hence, Roberts (2003) calls participation a technique that works.

- In the opposite view, negative effects of participation on change outcomes were mentioned by many critics. Collins (1998) called participation ‘over socialized’, to express that it is naive to assume that individual employees would be even willing to change, let alone to participate in change without being pressured to do so. Buchanan & Boddy (1992) stated that real organizational change implies a lot more than folding pajamas at the case study mentioned before. An overview book on organizational change entitled by Beer & Nohria (2000) added interesting insights. The first chapter by Conger (2000) showed negative side effects of participation, like lack of directionⁱⁱ. Such negative effects from participation and from non-participation were considered contra productive for organizational change success (Heller, 1998).

In the next chapter the foregoing aspects on participation will be clarified, including further specification of the positive and the negative view.

Research justification: why participation of employees?

The foregoing controversy makes the rather old participation research field –with publications starting from 1948 (Coch & French, 1948) – still particularly interesting today (Cheney & Cloud, 2006; Church, 2008; Elias, 2009; Kimberly, Eddleston, Otondo, Kellermanns, 2008; Wall, 2007). In order to raise the subject above the level of contradicting standpoints by either the positive or the negative vision, the positive or negative effects of participation on organizational change success need further research. This dissertation aims to take away at least some of the controversy regarding participation in organizational change.

ⁱⁱ Unfortunately, empirical findings were not taken into consideration in the discussions in Beer & Nohria's overview (2000). One reason for this was caused by the fact that there is not much empirical data available, while in those cases it was found it did not consistently point out a strong relationship between participation and organizational change success. Ives & Olsen (1984) concluded the same in their overview of IT related organizational changes. They relate this to methodological weaknesses in most empirical studies. The limited number of studies on other forms of organizational change, like Total Quality Management (Coyle-Shapiro, 1999) and Quality of Working Life Programs (Nurick, 1982) provided the reader with the same methodological weaknesses and lack of consistent empirical findings.

With on one hand the positive view and on the other hand the critics, the (dis-)advantages of participation in organizational change seem almost a matter of taste. In the previously mentioned overview book on participation, Strauss (1998, page 10) wrote: “for every advantage, participation has a disadvantage”, while in the chapter entitled ‘playing the devil’s advocate’ Heller (1998, page 145) responded with: “where there is shadow, there must also be light”. Miller & Monge (1986) did also highlight contradictive viewpoints on participation and concluded that when scholars draw conclusions they invariably state that it depends, while unfortunately the question on what it depends on had not adequately been answered. The existence of a direct relationship between participation and organizational change success remained questionable.

Even with no direct relationship, an indirect relationship between participation and organizational change success could still exist. The latter could simultaneously support the positive view and the negative view. Participation may lead to intermediary effects, that sometimes lead to positive, sometimes to negative, and sometimes to a net result of zero organizational change success. Mediating entities that form part of the causal chain between participation and organizational change success may then well cause the difference between positive and negative contributions.

Despite the fact that even today there is hardly any literature found to support this indirect relationship between participation and organizational change success, some literature in adjacent research fields indicates such kind of relationship. Ostroff & Schmitt (1993) researched successes of schools. They found that students who participated in class activities, showed improved attitudes and those improved attitudes aided to improve the effectiveness of the schools. Furthermore, Conger & Kanungo (1998) suggested that participative efforts result in an increase in their own performance and their own performance will produce more success for an organization. None of the foregoing scholars associated participation with organizational change success, but they did indicate that participation was positively related to success in other fields through mediating entities.

Those findings in other fields could supposedly be applicable to the field of organizational change success. The upcoming supposedly mediating entities were suggested by several scholars:

- ▶ Ostroff & Schmitt (1993) wrote that participation can affect *intrapersonal attitudes* of employees, that can affect organizational change outcomes. Strauss & Wilpert (1998) explained the foregoing as follows: anyone who participates makes decisions and consequently develops attitudes of attachment to those decisions, that motivate him or her to make those decisions become more effective. Piderit (2000) and Burke (1987) suggested that participation makes involved employees understand the situation, background and goal of organizational change better than those who are not involved, indicating more positive intrapersonal attitudes towards the change decisions and outcomes. Consequently, participation is

supposed to improve individual employees' change related attitudes, which in turn are supposed to improve organizational change success.

- ▶ Second, Strauss (1998) theorized that participation can also affect *interpersonal relations* between employees, that can affect organizational change outcomes. Such mediation was theorized as follows: participants working together towards the same goal, tend to socialize and bond together, which leads to combined efforts towards the success of their common goal. Schneider, Brief & Guzzo (1996) stated, that when employees participate in decisions regarding a change, interpersonal relationships are supposed to be characterized by improved mutual trust, which would theoretically enhance the probability of actually having the change take root. Based upon the foregoing, participation is supposed to lead to more organizational change success through the mediating role of interpersonal relations.
- ▶ Third, the already introduced negative view of participation implicitly indicated that participation may lead to negative outcomes. Among others, Heller (1998) pointed out that participation is not always better when there is more of it in an organization. Employees participating in extra activities next to their daily job, are confronted with additional *job pressures*. For example, they are pressured to show additional efforts on top of their regular work activities. Participants have participative meetings, negotiations, discussions and other time absorbing activities. Organizational change usually increases demands from those who participate, which can make it a burden (Conger & Kanugo, 1998; Karasek, Gardell & Lindell, 1987). A participative change strategy runs the risk of overloading employees with work which might even bring less performance and more negative aspects like stress, conflicts and burnouts (Elloy, Terpening & Kohls 2007). Grove (2004) added that especially during organizational change, collective stress can get dangerous, because most employees will be relatively inexperienced which causes events to occur unexpectedly, meanwhile jeopardizing organizational change success. In this view, participation in organizational change is supposed to lead to increased job pressures, which is supposed to lead to decreased organizational change success.
- ▶ Finally, Strauss (1998) described two reasons to assume that the quality of the *job contents* of decisions is positively affected by participation. First, each individual is assumed to have specialized and in-depth knowledge about his or her own daily job. Consequently, the more individuals combine their knowledge, the better decisions can be made based on their combined knowledge. Second, changes in daily job routines can be addressed more quickly and more flexibly when not only managers but also employees are already involved in the process. The foregoing implies that participants contributing actively to organizational change, usually try to make the final change outcome fit their job contents (Newton & Jimmieson,

2006). In the foregoing view, participation is supposed to lead to a better fit of individual employees' job contents with the organizational change, which in turn is supposed to lead to increased change success in an organization.

Among these supposedly mediating entities are on the one hand positive, success enhancing ones (intrapersonal attitudes, interpersonal relationships and job contents) and on the other hand negative, success reducing ones (job pressures). Thus, these supposedly mediating entities could possibly explain the already mentioned contradictory positive and negative views on participation. These mediating entities will be clarified in the next chapter and may influence the final outcome of organizational change effectiveness and. Such outcome may differ depending on the type of organizational change (Morgan & Zeffane, 2003; Schein, 2002; Schneider, Brief & Guzzo, 1996). To avoid different influences from participation caused by different organizational change types, the current research will focus on one type of organizational change, which will be introduced hereafter.

Research foundation: customer relationship management (CRM)

Plakoyiannaki, Tzokas, Dimitratos & Saren (2008) reported that participation of employees played an important role in a particular organizational change type: the implementation of customer relationship management (CRM). The acronym CRM refers to the following definition:

- ✓ CRM is the engagement of individual customers in a meaningful dialogue with individual employees so that firms can customize their products and services to attract, develop and retain customers (Campbell, 2003).

Verhoef (2001) wrote that CRM consists out of organizational processes that focus on the development and maintenance of relationships with individual customers. Such processes are for example the sales process, the call center process, the website content management process, the shop floor operations process and the customer complaints handling process. In all these processes, a dialogue between employees and customers takes place and relationships between employees and customers are established, built and terminated.

The foregoing is not a new business principle (Brown, 2000; Chen & Popovich, 2003). Over a century ago products were sold from local, small stores where the owner knew his customers well. Not only by name, but also by product needs. Because of the small scale it was possible build up a personal relationship with every customer. However, for reasons of economies of scale, nowadays organizations need to manage growing numbers of customers, which makes personal relationships increasingly difficult. Customer relations tend to diminish into account or policy numbers in mass correspondence. This jeopardizes the positions of large scale organizations (Brown, 2000). Information technology offers

opportunities to solve this (Winer, 2001), as intelligent software can assist a few employees to identify and monitor the behavior and purchase patterns of thousands of customers simultaneously (Jayachandran, Sharma, Kaufman & Raman, 2005). During any contact –for example a telephone call or an interaction via e-mail– the dialog between the employee and the customer can reveal interesting information regarding preferences and intended purchases. This information plays a key role in customer relationships (Jayachandran et al., 2005). Organizations that use this information well can not only manage relationships with customers, they can also sell them more products (Brown, 2000). This management process includes the initiation, maintenance and –if necessary– termination of customer relationships in order to maximize the value of a customer portfolio (Reinartz, Krafft & Hoyer, 2004). They reported that the more firms engage in this management process, the better their financial performance, based on a sample of 211 organizations selling consumer products in Germany, Austria and Switzerland.

CRM terminology emerged in the information technology community in the 1990's. CRM software provides a common interpretation and shares customer files across all functions in an organization, so that every individual employee with sufficient access rights to the system can view and update customer (Chen & Popovich, 2003; Campbell, 2003). In the early days CRM was often described narrowly, as only technology-based solutions to build customer relationships (Payne & Frow, 2005). Later, it was reported that viewing CRM as a technology-only solution would likely fail (Chen & Popovich, 2003). Consequently, more aspects were added in a broader view that included a business orientation on improved revenues. For example Brown (2000, page xix) articulated this broader view: CRM aims to understand, anticipate and manage the needs of an organization's current and potential customers, which is a journey of strategic, process, organizational and technological change whereby a company seeks to better manage its own enterprise around customer behaviors. Payne & Frow (2005) combined these elements in their conceptual framework for CRM. CRM is perceived as being widely influential throughout many internal and external aspects of an organization, in contrary to other programs that affect only one process, only one department, or only one technology (Haasnoot & Gianotten, 2003; Winer, 2001). CRM does not only change organizational structures, processes and technological systems, it is also affected by the job contents and behavior of individual employees (Brown, 2000; Chen & Popovich, 2003).

Research justification: why CRM organizational change?

Customer relationship management (CRM) provides organizations with the opportunity to improve their relationships with customers and to increase their sales revenues. However, organizational change of the customer relationship management type does not always lead to those desired improvements. Often, CRM organizational change was reported being not effective, nor successful (Bohling, Bowman, LaValle, Mittal, Narayandas, Ramani &

Varadarajan, 2006; Chen & Popovich, 2003; Corner & Rogers, 2005; Langerak & Verhoef, 2003). Rigby & Ledingham (2004) wrote that early adopters of CRM were often disappointed by high costs and elusive benefits. Bohling et al. (2006) reported that some managers claimed to have reached full success, while many others reported complete failure, indicating weaker relationships with customers and decreased revenues from customer spending. Customer relationship focused organizational change concepts have been implemented for several years, but many organizations were still struggling to fully align themselves with those concepts (Shah, Rust, Parasuraman, Staelin & Day, 2006; Verhoef & Langerak, 2002). Corner & Rogers (2005) even wrote that CRM had been described as having great potential, but with a poor track record on performance.

Clearly there is a need to understand which factors make CRM organizational change more or less a success (Bohling, Bowman, LaValle, Mittal, Narayandas, Ramani & Varadarajan, 2006; Rigby & Ledingham, 2004; Langerak & Verhoef, 2003). This dissertation aims to add insights in those factors.

Some researchers pointed at possible reasons for (not) reaching CRM success. Among others, Verhoef & Langerak (2002) theorized that creating successful customer relations does not automatically imply creating monetary value. Consequently, when suppliers invest heavily in CRM to improve customer relationships while neglecting sales related processes and employees, then they may not see any return on investment. Rigby & Ledingham (2004) studied five CRM implementations and concluded that certain firms had invested more heavily in CRM than they would probably earn back. Some of those CRM initiatives had grown into overly complicated systems that trapped sales employees in typing order reports instead of making sales calls to customers. Those organizations created unused technology capacity and unnecessary bureaucratic systems that kept their employees away from what matters most from a CRM perspective: gathering customer information and offering products while managing customer relationships (Rigby & Ledingham, 2004). Reinartz, Krafft & Hoyer (2004) wrote that successfully implementing CRM required more than just technology: in particular it required a strong people-related component. Verhoef & Langerak (2002) theorized something similar: CRM requires an organization with a customer-oriented culture in which employees from different departments jointly focus on creating customer relations. A single technology focus may work counter-productive, because despite CRM's emphasis on building long-term relationships with customers, most CRM technology optimizes short-term relationships (Langerak & Verhoef, 2003). Applying such software without common sense from employees implies that only customers with the highest sales probability are repeatedly and bombarded with emails and direct mailings. As a result, these customers tend to become irritated and inclined to switch towards less aggressive suppliers. The foregoing technology focus jeopardizes customer relationships instead of improving them. Jayachandran et al. (2005) added that interviewees who mentioned CRM success in their organizations mostly also indicated that employees played important roles in the organizational change process, while interviewees who mentioned frustration with CRM had their implementation effort driven by technology and not by business nor employee

needs. Campbell (2003) studied five financial organizations that had implemented CRM three to five years earlier. She stated that a major obstacle for employees to manage customer information well was rooted in the fact that often multiple information technology systems existed that formed information barriers between employees from different departments (Campbell, 2003, page 378). For example, call center employees stored their customer information in a computer system that account managers could not access and vice versa. Such isolated customer information could cause misunderstandings among employees regarding customers. Employees from different departments did not always share the same customer information, which jeopardized CRM success (Campbell, 2003). Campbell found that more time was spent on generating customer information than on employees sharing customer information. Corner & Rogers (2005) added to the foregoing, that they saw a remarkable shortage of knowledge regarding individual employees implementing CRM, while they expected that the core difference between CRM success and failure could have been made by those individual employees. Similarly, Verhoef & Langerak (2003) wrote that the human factor is one of the most important determinants of CRM performance.

As a consequence, sufficient attention needs to be paid to employees participating in the CRM organizational change, otherwise it may fail (Payne & Frow, 2005, page 167; Plakoyiannaki et al., 2008).

Based on the foregoing, it seems logical that participation of employees plays a crucial role in the success or failure of CRM implementations. The current research will test this view.

1.2 RESEARCH DESIGN

Next it will be described how the current research is designed. The research objective will be precisely formulated hereafter, followed by the research question and the supposed contribution to existing research literature. First of all, the scope that will set the boundaries of the research field will be presented.

Research scope: individual employees changing financial organizations towards CRM

In order to be able to research employee participation in CRM organizational change within limited time and budget, it is necessary to set some boundaries on the research scope. It is virtually impossible to include every possible participative effect regarding every organizational change throughout the world. For reasons of focus, the research scope will be limited to one aggregation level (perceptions from individual employees) that is

applied to one organizational change type (implementation of customer relationship management).

Furthermore, this study will disregard many of the variables that may exist across organization types (e.g. competition, technology use, or culture) by focusing on one single organization type. Winer (2001) suggested some organization types that would be potentially more or less successful in implementing CRM. He wrote that financial organizations (e.g. banks) get the chance to build up massive amounts of data about customer (payment) behavior and use this data for gaining customer understanding. Using customer understanding, financial organizations are able to target tailor-made messages to those individual customers that are receptive to those messages. Those messages form a delivery mechanism through which relationships between individual customers and individual employees can be built (Winer, 2001).

Thus, financial organizations are expected to be more ready for implementing CRM than most other types of organizations. For the foregoing reasons, the current research focus will be on individual employees implementing customer relationship management organizational change in Dutch financial organizations.

Other outcomes, success rates or the effectiveness of other organizational changes than CRM, in other industries than finance and in other geographical areas than the Netherlands will be considered out of scope of this research. The foregoing also implies that each individual employee is supposed to have his or her own subjective view on the level of success of a CRM organization change. In contrary, an objective view on the level of success of a CRM organizational change will not be presented in this dissertation. This scoped research approach will ensure focus on the key elements of this dissertation: the relation between individual employees participating in the implementation of CRM organizational change in the Dutch financial industry.

Research objective: understand how employee participation influences CRM change

The central objective of this dissertation is to add insights to the academic literature and to the professional practitioners' knowledge regarding the role of employee participation and the supposedly mediating entities –intrapersonal attitudes, interpersonal relations, job pressures and job contents– in the customer relationship management (CRM) type of organizational change in Dutch financial organizations.

Research question: in which way does employee participation influence CRM change?

To achieve the research objective as outlined above, the central research question is: in which way does employee participation and its supposedly mediating entities – intrapersonal attitudes, interpersonal relations, job pressures and job contents– influence the effectiveness of the customer relationship management (CRM) type of organizational change in Dutch financial organizations?

Research contribution: HRM and CRM academic research

When the foregoing research question will be answered, two research areas will be provided with further insights.

- ▶ In the human resource management (HRM) research area, the current research aims to contribute to the current understanding of employee participation, its consequences and their influence on organizational change effectiveness.
- ▶ In the customer relationship management (CRM) research area, the current research aims to contribute to the current understanding of CRM effectiveness and its potential predecessors like employee participation and several mediators.

1.3 RESEARCH CONCEPTS

In this section the main concepts of this chapter will be summarized shortly, followed by the representation of the research model.

Conceptual model i: employee participation, mediating entities, CRM effectiveness

All of the foregoing was combined into the conceptual research model of this dissertation, which is graphically represented in Figure i. It shows the assumed indirect relationship between employee participation –independent variable– and CRM effectiveness –dependent variable– via several mediating entities. Based on the insights from different groups of scholars, the following four entities are expected to mediate the relationship between employee participation and CRM effectiveness:

- ▶ Intrapersonal attitudes.

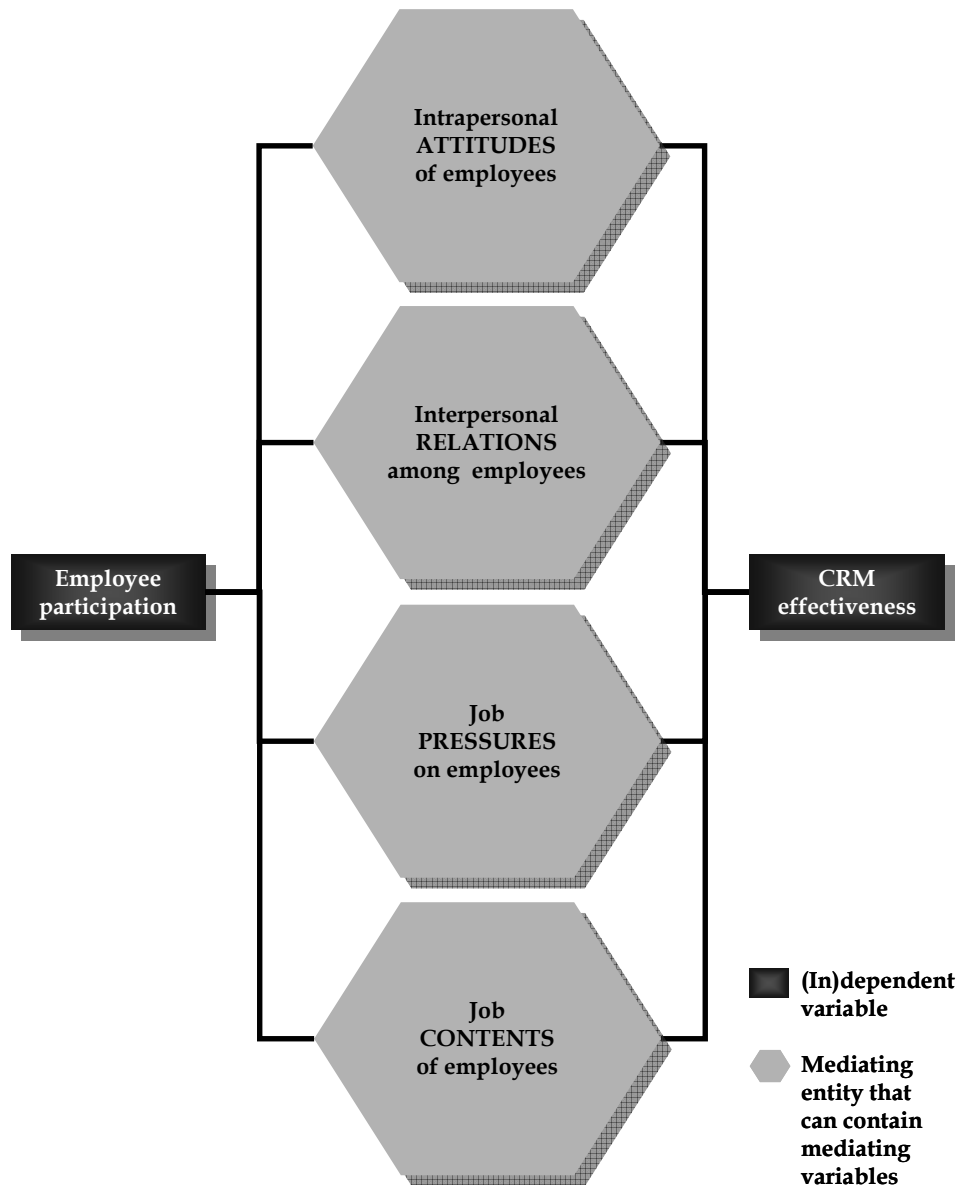


- ▶ Interpersonal relations.
- ▶ Job pressures.
- ▶ Job contents.

These mediating entities are on one hand supposedly positive –CRM effectiveness enhancing–, such as intrapersonal attitudes, interpersonal relationships and job contents. On the other hand these are also supposedly negative –CRM effectiveness reducing– effects, such as job pressures.

The next chapters will reveal theories, methods, results and discussions regarding employee participation, intrapersonal attitudes, interpersonal relations, job pressures, job contents and CRM organizational change effectiveness.

Figure i: conceptual research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by intrapersonal attitudes, interpersonal relations, job pressures and job contents



1.4 DISSERTATION OUTLINE

This section will describe the structure and outline of the following chapters, including a preview of the upcoming content of this dissertation.

Chapter 2: Theory

The upcoming chapter of this dissertation will reveal the theory and hypotheses regarding the relationship between employee participation and CRM effectiveness through the supposedly mediating entities: attitudes, relations, pressures and contents. Each of them will be defined and operationalized in subsequent sections of this chapter, together with the presentation of the hypotheses.

Chapter 3: Method

The third chapter of this dissertation will describe the method underlying the research. The research population, sample, data collection and constructs will be presented in this chapter, together with a description of employee participation in customer relationship management (CRM) organizational change in financial organizations.

Chapter 4: Results

The fourth chapter will describe the qualitative and quantitative results of the research. Each of the hypotheses will be tested and the results will be revealed in this fourth chapter.

Chapter 5: Discussion

The findings regarding employee participation (independent variable), all mediating entities and CRM effectiveness (dependent variable) will be discussed in the last chapter of the dissertation, followed by the description of the implications for both practice and theory. Also the suggestions for future research will be made explicit in this final chapter.

2 THEORY

The goal of this chapter is to provide a theoretical overview of the concepts in this dissertation regarding (employee) participation, (CRM) effectiveness and the supposed mediating entities intrapersonal attitudes, interpersonal relations, job pressures and job contents. Each of the following sections will focus on one of these concepts.

2.1 THEORY ON EMPLOYEE PARTICIPATION & CRM EFFECTIVENESS

In the upcoming section, an overview will be provided of different forms of (employee) participation that can be found throughout academic literature. For reasons of focus, it will be clarified which aspects of which forms will be used in the current research. Then, the (indirect) relationship between employee participation and customer relationship management (CRM) effectiveness will be clarified.

Employee participation in the current research

The phenomena of employees influencing organizations has been described in economic, psychological and sociological literature using a wide variety of definitions, labels, visions and sometimes even without explicit definitions (Dachler & Wilpert, 1978; Heller, Pusic, Strauss & Wilpert, 1998; Miller & Monge, 1986; Pasmore, 1986; Pusic, 1998; Siegel & Ruh, 1973). The following labels have been used for such phenomena:

- ▶ Participation (French, Israel & As, 1960; French, Kay & Meyer, 1966; Heller & Yukl, 1969; Miller & Monge, 1986), participation in decision making (Jackson, 1983; Schneider, Brief & Guzzo, 1977; Schuler, 1980; Siegel & Ruh, 1973; Witt, Andrews & Kacmar, 2000), participative goal-setting (Erez & Arad, 1986; Latham, Mitchell & Dosset, 1978), user participation (Van Offenbeek & Koopman, 1996), citizen participation (Arnstein, 1969), subordinate participation (Falcione, 1974), participative decision making (Heller, Drenth, Koopman & Rus, 1977), participative management (Kim, 2002; Miles & Ritchie, 1971; Van der Vlist, 1990), participative leadership (Bouma & Emans, 2004), decisional participation (Alutto & Acito, 1974), psychological participation (Vroom, 1960), participatory control (Newton & Jimmieson, 2006), employee participation (Cheney & Cloud, 2006; Cotton, Vollrath, Frogatt, Lengnick-Hall & Jennings, 1988; Coyle-Shapiro, 1999; Sagie, 1995; Schefflen, Lawler & Hackman, 1971; Seeborg, 1978; Zwick, 2004), employee engagement (Harter, Schmidt & Hayes, 2002; Saks, 2006), employee involvement (Cotton, 1988; Holden, 1996; Lawler, Mohrman, & Benson, 2001;

Marchington, Wilkinson, Ackers & Goodman, 1994; Morgan & Zeffane, 2003), employee perceptions of involvement (Shadur, Kienzle & Rodwell, 1999), managerial involvement (Spreitzer & Mishra, 1999), job involvement (Siegel & Ruh, 1973), organizational influence (Pennings, 1976), influence sharing (Strauss, 1998), power sharing (Locke & Schweiger, 1979), empowerment (Argyris, 1998; Conger & Kanugo, 1988; Janssen, 2004), self-determination or self-management (Cooper, 2002), shared influence (Wagner & Gooding, 1987) and workplace democracy (Cheney & Cloud, 2006).

Even today, no universal set of questions –let alone a universal set of answers– is available to scholars. The foregoing makes it increasingly difficult to disentangle the many and often contradictory issues related to (employee) participation and all foregoing alternative terms (Dachler & Wilpert, 1978; Swanberg-O'Connor, 1995).

Consequently, the current research will require one clear definition. Webster's dictionary is often used as a starting point for definitions and provided the following insights:

- ❑ “The act of participating means to take part, or to have a part or share in something, or to be related to a larger whole.”

Thus, participation in its many forms refers to a person taking part in a larger whole, which makes Webster's definition (too) generic for the current research. Further specification will add more precision. Within one book that claims to evaluate nearly half a century of participation research (Heller, Pusic, Strauss & Wilpert, 1998), three different definitions are used:

- ❑ “Participation is the process and result of influence sharing over work and work conditions” (Strauss, 1998, page 11).
- ❑ “Participation practically means to influence decisions made in the organization” (Pusic, 1998, page 67).
- ❑ “Participation is the totality of forms and of content intensities by which actors secure their interests or contribute to the choice process through self-determined

choices among possible actions during the decision process” (Wilpert, 1998, page 42)ⁱⁱⁱ.

The first definition by Strauss (1998) does not reveal what is meant by the process and how influence sharing works. The second definition by Pusic (1998) adds practicality, but still shows the same disadvantages. The third definition by Wilpert (1998) is more precise, although it needs some clarification: he singles out three dimensions which together make up an organization's participation level. These dimensions need further explication before they can be applied to the current research.

- ◆ The actors dimension represents the number of participating employees -called participants- being involved in decision making processes. Applied to the field of organizational change this may vary from only an individual employee to many employees that change an organization. This dimension is usually categorized from nobody to everybody in an organization.
- ◆ The subjects dimension represents the impact of the decisions which are subject to decision making by participating employees. Applied to the field of organizational change those decisions may vary from minor issues like a dress code, to fundamental ones such as signatures on a contract for the takeover of a large competitor. Locke and Schweiger (1979) proposed the following categories within this dimension: (1) routine personnel functions, (2) work itself, (3) working conditions, (4) company policies. Burke (1987) added another category: (5) subjects that can make the difference between organizational discontinuity and survival.
- ◆ The controls dimension represents the level of involvement in a decision making processes. This may vary from being ignored on the one hand, to having decided on the other hand. Dachler & Wilpert (1978) proposed the following categories within this dimension: (1) employees are being by-passed in the decision making process, (2) employees are informed about decisions that are made by others, (3) employees are given the opportunity to give their opinion about the decision to be

ⁱⁱⁱ Kluytmans (2001) has simplified Wilpert's definition as follows: "Participation is the totality of discussions within an organization that empowers employees to influence the decision process." Unfortunately Kluytmans lost the action element in his definition, which can make the difference between authentic and inauthentic participation. The latter means that management creates a deception, but does not provide any genuine influence sharing on important issues (Heller, 1998). On the opposite, authentic participation makes use of influential actions of employees.

made, (4) employees' opinions are taken into account in the decision making process, (5) employees are the decision makers.

Following Strauss (1998), together these dimensions constitute the full concept of participation. In more practical terms this means that combined, these dimensions provide insights in the total amount of participation. A high amount of participation is found in a situation where many involved employees (actors) are enabled to significantly leave their mark (controls) on fundamental as well as operational issues (subjects) regarding their work. An example of a low amount of participation in organizational change occurs when only one individual employee (actor) participates through just one vote (controls) in the works council about a minor issue (subjects).

Participation does not only differ in amount, participation also appears in different forms, or shapes. Cotton, Vollrath, Frogatt, Lengnick-Hall & Jennings (1988) and Leana & Locke (1990) reviewed over 400 articles regarding participation in its many forms and distinguished two dichotomous classifications: (in)formal and (in)direct.

- ▶ The first classification "(in)formal" refers to written rules that prescribe participation in some sort of a structure, procedure, policy, law or contract (formal) versus pragmatic, spontaneous, or ad hoc participation (informal). Leana & Locke (1990) mentioned, that the latter has more heterogenic properties and is therefore more difficult to measure, when for example employees consult each other during a lengthy lunch meeting and at other times briefly via an easily erased and forgotten e-mail message. Dachler & Wilpert (1978) added, that participants often don't consciously choose between formal and informal participation. Instead, usually local cultural situations and/or law enforcements like for example the law on works councils in the Netherlands dictates the implementation of formal participation.
- ▶ The second classification "(in)direct" refers to immediate personal involvement of employees (direct) versus employee representation via others (indirect), like for example via a works council, union, or task force. Witt, Andrews & Kacmar (2000) described direct participation as a choice that participants could make themselves in the decision making process. They described indirect participation as individuals who articulate their voice to another decision maker before the latter makes the actual decision (Witt, Andrews & Kacmar, 2000). Dachler & Wilpert stated that direct participation is to be preferred over indirect participation. Nurick (1982) found proof for Dachler & Wilpert's theoretical statement, indicating that indirect participants perceived themselves as less influential with regards to organizational change, because they need to rely on their representatives to decide and inform them of change activities. Indirect participants are dependent on direct participants and perceive less power in the decision making process.

According to Cotton et al. (1988) and Leana & Locke (1990), participation can be classified using the foregoing classifications. For example, employees requesting their management to decide on higher wages can be classified as informal and indirect participation. Another example is a spontaneous strike of employees paralyzing their own company, which can be classified as informal and direct participation. The representation of all workers in a works council can be classified as formal and indirect participation. Participation of a member of a works council or a change team can be classified as formal and direct^{iv}.

Furthermore, the current dissertation needs to differentiate between the many forms and definitions of participation being used by several scholars and the specific form that will be studied in the current research in the previously introduced context of CRM organizational change. The latter will be called *employee participation* and will be applied throughout the remainder of this dissertation. Based on the foregoing and combined with the CRM organizational change context, employee participation is defined as follows.

- ✓ Employee participation means active involvement of (an) individual employee(s) in decisions regarding customer relationship management (CRM) organizational change in Dutch financial organizations.

Following that last definition, employee participation will be studied at the aggregation level of one or more individual employee(s) instead of for example an organization as a whole entity. Furthermore, employee participation will only be researched in the context of decisions related to organizational change of the customer relationship management (CRM) type in Dutch financial organizations instead of other contexts.

Whenever applicable throughout this dissertation, a distinction will be made between the current specific *employee participation* meaning and other *participation* meanings that were introduced by others. Wherever it reads employee participation with no further context specified, the current specific meaning is always meant. Furthermore, *participants* will be applied as a label to describe individuals showing more or less employee participation in

^{iv} Some scholars suggested other classifications like short versus long term participation and financial versus non-financial participation, although those have been found confusing. For example, an employee receiving payments and bonuses in return for participation is sometimes treated as a form of financial participation (Bakan, Suseno, Pinnington & Money, 2004; Schefflen, Lawler & Hackman, 1971) and often not (Kaler, 1999; Leana et al., 1990). Another example is a laboratory study with students acting as participants during an afternoon, which is clearly a form of short term participation, while a three months field study of participants is often treated as a form of short term participation (Osborn, 1998) and sometimes as long term (Wagner, 1994). The foregoing makes understanding of participation confusing and will therefore not be used here.

the above described context, while *non-participants* will be used to describe other individuals lacking any employee participation.

Employee participation is expected to be indirectly related to CRM effectiveness

When it comes to measuring the success or the effectiveness of (employee) participation, Cameron (1986) pointed out that problems of definition, circumscription and criteria identification plague most authors' work. Some scholars mean equal effectiveness with self-efficacy. Bandura (1977) stated that positive attitudes of individuals will result in more outcome efficacy, which means the successful execution of certain outcomes. Likewise, Tosi (1970) and Vroom (1960) described effectiveness as a personality construct. Others used effectiveness solely to describe participation success (Heller, Drenth, Koopman & Rus, 1977; Koopman, Drenth, Bus, Kruyswijk & Wierdsma, 1981; Wu & Lee, 2001). Furthermore, Coch & French (1948) used effectiveness for reaching production goals. Sagie & Kozlowski (1994) measured work outcomes using the effectiveness label. Morgan & Hunt (1994) labeled relationship success effectiveness. And House (1971) and Miner (1978) limited effectiveness to leadership success. Many scholars used effectiveness to describe organizational success, like Conger & Kanugo (1988), Koopman et al. (1981), Locke & Schweiger (1979), Roberts (2003), Schuler (1980), Wagner (1994 and Wagner et al. (1997). Burke (1987, chapter 1), used the effectiveness label to describe well integrated individual needs with organizational goals. Others, like Goodman, Bazerman & Conlon (1980) used the effectiveness label to describe the institutionalization of organizational change.

Some studies reported a strong relationship between (employee) participation and several forms of effectiveness, while others did not find such evidence at all. Van der Vlist (1990) performed a meta analysis over 72 studies and found 20 studies where participation - described as participation in decision making and measured in both work and classroom environments- positively affected effectiveness -the latter was described in terms of productivity-, 48 studies with no significant relation and 4 where participation affected effectiveness negatively. Those studies were quite different and therefore almost incomparable to each other: 13 laboratory studies, 16 field studies and 43 controlled experimental studies were included. To overcome problems with adding figures from entirely different contexts, Sagie & Koslowsky (1994) applied one study to five similar organizational changes in five organizations, ranging from a tax agency to a public elementary school. In four of these organizations participation -described as participation in strategic and tactical organizational change decisions- was positively correlated with effectiveness -again described as productivity-, in one no significant relationship was found. After researching the effectiveness through several indicators among 39,000 individuals within 176 school organizations, Ostroff & Schmitt (1993) reported .52 correlation between participation and favorable change related attitudes, .19 correlation between participation and effectiveness and .23 between those attitudes and effectiveness

(all significant at $p < .05$). Interestingly, in the discussion section they mentioned that there is a significant direct effect of participation on the effectiveness of the schools, but there is probably a greater indirect effect.

These foregoing studies presented not overly convincing results that participation would contribute to effectiveness. Among others, Heller (1998) pointed out that participation – defined as a form of influence sharing, p. 2– does not automatically have to lead to more effectiveness –defined as organizational outcomes–. This may be explained by the wide variety of meanings and contexts of the effectiveness label, which makes drawing conclusions on a possible relationship between (employee) participation and (organizational, organizational change, or CRM) effectiveness difficult. Such wide variety of meanings and contexts is a major research obstacle. To overcome this obstacle, the current research needs a clear definition of *CRM effectiveness*. The following terminology will be applied throughout this dissertation:

- ✓ CRM effectiveness means successful customer relationship management (CRM) organizational change from the perception of (an) individual employee(s).

Thus, the current research will focus on CRM effectiveness using the above definition. CRM effectiveness will not be used as an objective measure of the success of customer relationship management organizational change, but instead as a subjective measure from the viewpoint(s) of (an) individual employee(s) which may differ from individual to individual. Some individual employees may experience improved relationships with the customers they deal with, while others may not reach improved customer relationships. As a consequence, not everyone in an organization will experience the same CRM effectiveness.

Hardly any research has been performed on which employee related factors play a role in improving customer relationship oriented effectiveness. Shah, Rust, Parasuraman, Staelin & Day (2006) indicated that certain aspects of individual employees formed a major barrier for organizations to change towards a customer orientation. They mentioned intrapersonal attitudes like commitment and interpersonal relations aspects like trust to play an important role to overcome this barrier. Bohling et al. (2006) found in a study on executives affiliated with 101 US based firms, that human resource factors played an important role in CRM success or failure. Their survey results showed that intrapersonal attitudes like ownership and satisfaction, together with employee alignment with CRM contents were highly correlated with perceived success.

Similar intrapersonal attitudes, interpersonal relations and contents associated with CRM organizational change success, were also associated with (employee) participation earlier in this dissertation. Based on the foregoing, it seems logical that employee participation would play a crucial indirect role –via these mediating entities– in CRM effectiveness. In such view, employee participation is supposed to lead to improved intrapersonal attitudes,

interpersonal relations, job pressures and job contents of employees. In turn, those intrapersonal attitudes, interpersonal relations, job pressures and job contents are supposed to contribute to CRM effectiveness. The upcoming section will theorize the expected relationship between employee participation, CRM effectiveness and the first supposed mediating entity: intrapersonal attitudes.

2.2 THEORY ON INTRAPERSONAL ATTITUDES

One of the supposed mediating entities between employee participation^v and CRM effectiveness^{vi} was labeled intrapersonal attitudes of employees. Webster's dictionary defined attitudes as mind states or emotional feelings. House & Mitchell (1974) clarified in which way such attitudes are formed. Individuals form expectations based on initial thoughts and feelings. Then these attitudes are altered by evaluations of outcomes along the path towards intrapersonal goals (Bandura, 1977). Individuals change their intrapersonal attitudes based on developing knowledge of the mix of expected goals and established outcomes (Elias, 2009).

The theoretical rationale above is applied here to predict in which way employee participation influences intrapersonal attitudes in the context of organizational change. If the goal of organizational change seems attractive, then individual participants start off enthusiastically and put effort in supporting decisions in organizational change process (House & Mitchell, 1974). Later, based upon previously taken decisions and their outcomes, attitudes are updated with new insights. As a consequence, attitudes undergo a learning process (Huzzard, 2004). Through participation in decision making, employees can learn for themselves which decisions lead to which outcomes (Witt, Andrews, Kacmar, 2000). Participation makes the involved employees understand the situation, backgrounds, goals and consequences of organizational change better than those who are not involved (Burke, 1987, chapter 5). To employees contributing actively in the decision process, the change doesn't require much explanation (Bouma & Emans, 2004). In that way participation assists employees in understanding the change content and context better, which leads to the formation of favorable attitudes. Two of those favorable attitudes can be distinguished based on the power-share and the humanistic view (Heller, 1998).

^v Employee participation refers to active involvement of (an) individual employee(s) in decisions regarding customer relationship management (CRM) organizational change in Dutch financial organizations.

^{vi} CRM effectiveness refers to successful customer relationship management (CRM) organizational change from the perception of (an) individual employee(s).

- First, according to the so-called *power-share view* (Arnstein, 1969; Pasmore, 1986), participation is expected to redistribute power. Power is distributed more equally throughout the organization, when leaders delegate a part of their power and make their employees co-owners by allowing them to make decisions. Pasmore (1986) stated that individual employees accepting their power-share are more motivated to put their skills and knowledge into their decisions. Consequently, higher quality decisions can be reached (Locke & Schweiger, 1979). Furthermore, power-share provides the employees with control over what happens on the job (House & Mitchell, 1974). Control gives them freedom and autonomy on the job, although control also creates responsibilities. Because when leaders give up (some) control regarding decisions, they will expect responsible decisions to be made in return (Spector, 1986). In this way, responsibilities between leaders and employees are shared. As a result, participants experience change related decisions as something of themselves and gain an attitude of (co-) ownership of decisions (Strauss, 1998).
- Second, according to the so-called *humanistic view* (Burke, 1987), participation is expected to *satisfy* a number of employee needs, such as personal growth and recognition. Personal growth can be established through learning. Learning means that understanding grows while participants gain knowledge and skills of causes and effects of their own decisions (Huzzard, 2004). Knowledge and skills are built by doing -also called trial and error- and by thinking or evaluating. Also, employees can reach recognition when they are granted the opportunity to make decisions by themselves (Blake et al., 1989). The foregoing recognition is known to motivate participants (Miner, 1978). They enjoy carrying out the decisions they have helped creating themselves (Wagner et al., 1997). Furthermore, participants associate themselves with organizational change goals and put effort in pulling the change towards those goals. Emery & Barker (2007a) called this association process the psychological identification with one's job. Consequences that one can identify him or herself with, are easier accepted when one has made the underlying decisions (Chakravarthy & Gargiulo, 1998). Ultimately, the humanistic view predicts that participation leads to employees with an attitude of *satisfaction* (Burke, 1987).

Thus, based on the foregoing theories: intrapersonal attitudes is a mediating entity which consists out of several constructs that will be called mediators throughout this dissertation. These constructs are often associated with (employee) participation: ownership and satisfaction. Both will be clarified in the upcoming sections.

Employee participation is related to ownership

The earlier introduced power-share view introduced ownership as an intrapersonal attitude. Many scholars described such ownership using a wide range of definitions. Some, like Bakan et al. (2004), Cotton et al. (1988), Kaler (1999) and Rooney (1992), apply ownership strictly to situations where employees possess financial shares or stocks in an organization. Others use a broader view. Blake, Mouton & McCanse (1989) declared that employees with an attitude of ownership, feel like they have a stake in organizational change. Roberts (2003) articulated, that employees attain ownership over the process and manifest ego involvement as they manifest a stake in the success of a system. Locke & Schweiger (1979) even used ego involvement to indicate something similar to ownership. Furthermore, Mowday (1979), Coyle-Shapiro (1999) and Goodman et al. (1980) described that such an attitude entails commitment. Acceptance and a strong belief in goals, a willingness to exert considerable effort, together with a strong desire to maintain membership, a feeling of pride and being part of something. Bouma & Emans (2004) added that employees with an attitude of ownership are less willing to walk away for the consequences of the decisions they have contributed to, which feels as responsibility to support their own decisions. Such an attitude of ownership implies commitment and dedication to make 'owned' decisions work (Cooper, 2002; Marchington, Wilkinson, Ackers & Goodman, 1994). In sum, it appears that ownership, acceptance, possession, responsibility, dedication and commitment are usually described as being closely related to each other.

Based upon the foregoing descriptions and the context of this research, in the remainder of this dissertation this construct will be defined as follows:

- ✓ Ownership means that (an) individual employee(s) show(s) attitudes of acceptance, possession, responsibility, dedication and commitment towards CRM change decisions.

Substantial evidence throughout scientific literature suggested a positive relationship between participation and ownership. For example Emery & Barker (2007b) reported substantial positive correlations between participative leadership styles within banks and food stores and commitment among individual employees. Sagie & Koslowsky (1994) reported participation in decision making being positively related to acceptance among the individual employees from five Israeli public organizations, ranging from the tax authority to public schools. Wanous, Reichers & Austin (2000) reported participation in decision making being positively correlated with commitment and the motivation to keep on trying as elements of ownership in the automotive industry. Shadur, Kienzle & Rodwell (1999) found participation in decision making to positively affect commitment as an attitude of individual employees in a technological company. Furthermore, Janssen (2004) reported that participative processes correlated positively with commitment of teachers in a school

environment. Consequently, it was reported that several forms of participation were positively associated with several forms of ownership in many different contexts.

All scholars in this section share one theoretical view: participation in many forms provides employees with an attitude of ownership. Their theoretically suggested positive relationship between participation and ownership was supported by empirical evidence in the meta analysis of Spector (1986) regarding 101 samples from 88 studies. Spector (1986) did not differentiate between studies that reported on ownership, acceptance, possession, responsibility, dedication, nor commitment. Armenakis & Bedeian (1999) called such meta analysis on interrelated constructs a juxtaposition of inertia. Several elements (here: acceptance, possession, responsibility, dedication and commitment) were positioned close together to maintain one central element (here: ownership).

Despite the theoretically suggested positive relationship between participation and ownership, there were no studies found on the relationship between the current specific type of ownership and the current specific type of employee participation in decisions regarding organizational change of the customer relationship management type. Consequently, the following hypothesis was formulated, which will be tested hereafter in the current research:

H1. Employee participation is positively related to ownership.

Employee participation is related to satisfaction

The humanistic view introduced the satisfaction construct as an intrapersonal attitude of employees. Similar to ownership, satisfaction was described under a wide range of definitions. Webster's dictionary worded the meaning of satisfaction as a feeling of contentment or the feeling of a fulfilled desire. Strauss (1998) described satisfaction in terms of fulfillment of human needs. Alutto & Acito (1974) and Erez & Arad (1986) described satisfaction in the work environment, including satisfaction with the job, satisfaction with supervisors, satisfaction with pay and satisfaction with promotions. Steensma (1988) described the construct as contentness with job meetings, job happiness and interesting job contents. Schneider, Brief & Guzzo (1996) described satisfaction as the feeling of an interesting place to work. French, Israel & As (1960) limited satisfaction to job contents. Huang & Dastmalchian (2004) described satisfaction with organizational change outcomes among employees of financial organizations.

Following the descriptions above and the current research context, throughout the remainder of this dissertation (job) satisfaction will be defined as follows:

- ✓ Satisfaction means that (an) individual employee(s) show(s) an attitude of contentment and fulfilled desire towards CRM change decisions.

Satisfaction has often been associated to participation in its many forms. Wagner (1994) performed a meta analysis that combined 11 other meta level researches on 160 empirical studies and concluded that evidence substantiated a strong positive relationship between participation and satisfaction, although many of the underlying studies were conducted using different constructs and scales, which led to methodological imperfectness (Sagie, 1995). Later, Wagner, Leana, Locke & Schweiger (1997) integrated several studies based on the same data set, deleted studies with questionable methodological credibility and repeated the meta level researches on 86 empirical studies. Again, a substantial positive relationship between participation and satisfaction was found. Also Sagie & Kozlowski (1994) reported strong positive correlations between participation in decision making and satisfaction in five Israeli corporations. Ritchie & Miles (1970) found significant correlations between participation and satisfaction among 330 managers. More recently, Kim (2002) reported positive effects of participation on satisfaction among 1576 US government employees. Shadur, Kienzle & Rodwell (1999) found participation in decision making to positively affect job satisfaction as an attitude of individual employees in a technological company. And Emery & Barker (2007b) reported positive correlations between participation within banks and food stores and job satisfaction among individual employees. Consequently, it was reported that several forms of participation were positively associated with several forms of satisfaction.

Similar to the other attitude construct called ownership, there were no studies found on the relationship between the specific current type of satisfaction and the specific current type of employee participation in decisions regarding organizational change of the customer relationship management type. Consequently, the following hypothesis was formulated:

- H2. Employee participation is positively related to satisfaction.

Ownership and satisfaction are related to CRM effectiveness

Not only are ownership and satisfaction both expected to positively correlate with employee participation as described in the foregoing sections, these attitude constructs are also expected to play an important role in improving several forms of effectiveness.

Some scholars associated different forms of effectiveness with attitudes of ownership or satisfaction. For example Schneider et al. (1996) used the effectiveness label to describe organizational change success, that they supposed could be reached by participants forming certain attitudes. Furthermore, Blake et al. (1989, chapter 7) suggested, that feelings of ownership evoke commitment to achieve the corporate objectives essential to

change effectiveness. And Schefflen, Lawler & Hackman (1971) reported, that a lack of ownership resulted in discontinuity of the change plans, although the change plans themselves were effective. Furthermore, satisfied employees put more effort in reaching change effectiveness than those who were not satisfied (Armenakis & Bedeian, 1999). Next, Emery & Barker (2007a) reported strong correlations between participation and satisfaction of customers of automotive organizations. They summarized that the relationship between satisfied employees and satisfied customers should be obvious, because 'you can't have happy customers served by unhappy employees'. Using such logic, they argued that participation would probably lead to more satisfied employees, which in turn would probably lead to an improved relationship with more satisfied customers. Bohling et al. (2006) researched the relationships between ownership and satisfaction and customer relationship management organizational change success and reported strong correlations between these variables.

Based on the foregoing, it can be expected that increasing ownership and satisfaction may be related to increasing CRM effectiveness. However, empirical evidence is not yet available regarding the specific type of employee participation and the specific type of CRM effectiveness used in the current research. The foregoing led to the formulation of the following hypotheses:

H3. Ownership is positively related to CRM effectiveness.

H4. Satisfaction is positively related to CRM effectiveness.

Ownership and satisfaction are expected to play mediating roles

It seems logical to expect a close relationship between employee participation and CRM effectiveness, because effectiveness is assumed to result from a series of decisions by each individual participant (Conlon, 1980). However, despite the foregoing theoretical expectations, several scholars disagree with such expectation.

Ostroff & Schmitt (1993) argued that the relationship between participation and effectiveness may not be direct, but merely indirect via the mediating roles of intrapersonal attitudes. Also in the case of the current study, the relation between employee participation and CRM effectiveness may be indirect instead of direct. It could well be possible that individual employees participating develop positive intrapersonal attitudes of ownership and satisfaction towards organizational change, which contribute positively to the CRM effectiveness of that change.

Such indirect effect may be lower or even absent for non-participants, because they may experience neutral attitudes of ownership and satisfaction, so that they do not contribute to

CRM effectiveness. Because the level of participation may differ more or less between individuals, similar differences in ownership and satisfaction may occur and via those also differences in CRM effectiveness may occur. To test whether this indirect effect would be applicable to the research described in this dissertation, the following hypothesis was formulated:

- H5. Employee participation is positively related to CRM effectiveness through the mediating role of ownership.
- H6. Employee participation is positively related to CRM effectiveness through the mediating role of satisfaction.

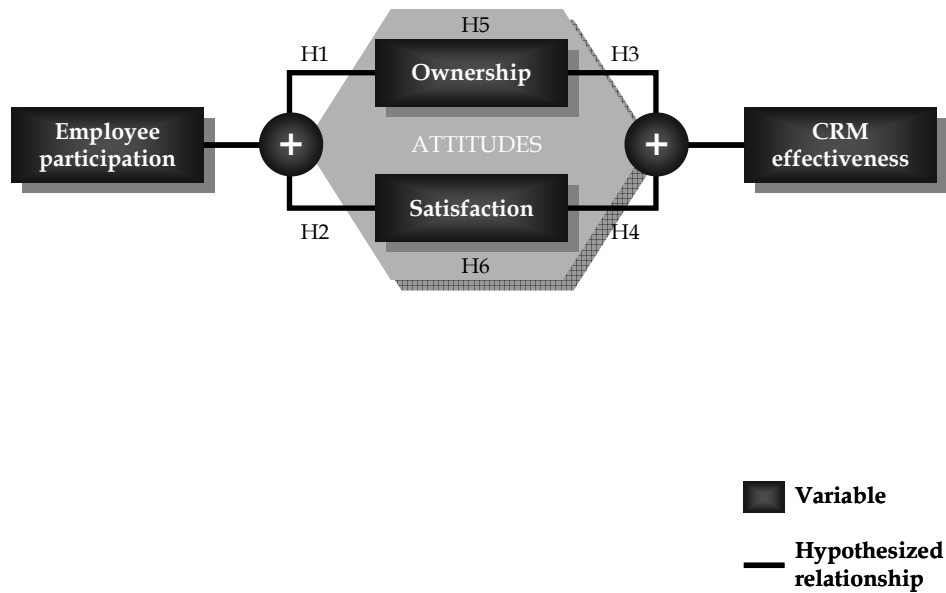
Partial model ii: employee participation, ownership/satisfaction, CRM effectiveness

In the previous sections it was first expected that employee participation correlated positively with both ownership and satisfaction. Next, ownership and satisfaction were both expected to positively correlate with CRM effectiveness.

Those expectations leave room for the hypothetical situation in which employee participation influences CRM effectiveness not directly but indirectly, via ownership and satisfaction. Altogether, employee participation is expected to improve the individual employees' attitudes ownership and satisfaction, that in turn are expected to improve CRM effectiveness. These expectations led to the formulation of the previously numbered hypotheses regarding the relationships between employee participation, ownership, satisfaction and CRM effectiveness.

Figure ii shows the theoretical model representing the foregoing hypotheses. It illustrates the following predictions. It is predicted that employee participation leads to ownership (hypothesis 1), which in turn leads to CRM effectiveness (hypothesis 3). Next, it is predicted that employee participation leads to satisfaction (hypothesis 2), which in turn leads to CRM effectiveness (hypothesis 4). Together, ownership and satisfaction are considered intrapersonal attitudes that mediate the relationship between employee participation and CRM effectiveness (hypotheses 5 and 6). Altogether, these hypotheses in this research model predict an indirect relationship between employee participation and CRM effectiveness.

Figure ii: detailed partial research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by the intrapersonal attitudes ownership and satisfaction



2.3 THEORY ON INTERPERSONAL RELATIONS

Employees usually do not work alone in an organization; usually they work together and form interpersonal relations among themselves (Blake Mouton & McCanse, 1989, chapter 2 & 3). Such relations are defined here following Blake et al. (1989) and Van Offenbeek & Koopman (1996) as connections between employees showing social interactions. These interpersonal relations include exchanging ideas, weighing opinions, influencing each other's perceptions, building up confidence, forming allies, cooperating, bundling forces and making joint decisions (Blake et al., 1989; Frone, 2000). Interpersonal relations are bi-directional in nature, because each individual can both provide output and gain input via exchanges with others (Burke, 1987, chapter 5; Van Offenbeek & Koopman, 1996). This bi-directional nature often works as follows: by giving, individuals in interpersonal relations add something to others. By taking, they gain something from others (Burke, 1987; Church, 2008). Thus, employees in interpersonal relations are being connected to each other and exchange what they give and take.

In interpersonal relations, individuals tend to weigh the perceived amount that they give against the perceived amount that they receive (Mayer, Davis & Schoorman, 1995). In the case of equal or more taking than giving, an individual may choose to extend the relation; or in the case of more giving than taking he or she may end it (Morgan & Hunt, 1994). The same choices can also be made by the other individual(s) in a relation. Therefore, everyone in a relation is at least partly dependent on others (Burke, 1987; Mayer et al., 1995; Nooteboom, Berger, Noorderhaven, 1997; Vroom, 1960). The paradoxical situation thus exists that the more people exchange with each other, the more valuable and risky the relation between them is for them (De Jong, 2007). The risk of dependency can be covered by trust^{vii} (Mayer et al., 1995; Nooteboom, 1997). According to Church (2008), trust is the key ingredient necessary for relations to knit together. She articulated that trust provides the glue that allows control to be relinquished into the hands of those who will act in the best interests of all. Blake, Mouton and McCanse (1989) described something similar: without trust, employees work alone, with the risk of striving towards results in undesirable directions leading to no joint results. Such absence of trust is also called

^{vii} According to Mayer et al. (1995) people strive to minimize risk in relations, in order to overcome vulnerability. For example leaders have traditionally found one way to demonstrate influence over lower echelon employees by telling them how to do their jobs and then monitoring them with constant surveillance to guard against surprises (Spreitzer & Mishra, 1999). These so-called authoritative leaders are supposed to be controlling, while in contrary participative leaders are supposed to be trusting (Sagie, Zaidman, Amichai-Hamburger, Teeni & Schwartz, 2002). Consequently, in the participation setting that is applicable to this research, the element of control is considered less relevant, while trust in relations will be considered further hereafter.

distrust (Schoorman et al., 2007). Often the threat of trust to be broken is sufficient to avoid distrust. Nooteboom et al. (1995) called this the reputation mechanism. This mechanism entails that destructive behavior will be punished: in that case no one in the relation will ever trust that party again and the relation may be destroyed (Nooteboom et al., 1995). Furthermore, knowledge about the distrusted is often communicated to others in a relation and a pattern of insights is built over time (Schoorman et al., 2007). Those insights usually contain knowledge about someone else's skills, competencies, loyalty, promise fulfillment, consistency, discreetness, fairness, reliability, credibility, principles, beliefs, motives and values (Mayer et al. 1995). In this way, everyone in a relation exchanges information about trust and distrust. The more trust exists, the less rules and watertight contracts need to be administered in order to maintain interpersonal relations (Costa, 2000). Nooteboom, Berger & Noorderhaven (1997) added that the foregoing leads to lower transaction costs, which forms an incentive for organizations to incorporate trust. Trust is incorporated through solidarity patterns that commit individuals to norms and values which aim to share responsibility in a group (Costa, 2000). These solidarity patterns mean, that managers or employees allow their colleagues some degrees of freedom in their work and expect them to act responsibly. When there is trust, managers expect that their employees will not take unfair advantage of them (Tzafrir, 2005). Furthermore, many scholars agreed that trust is an essential component that motivates employees to organize their work without much monitoring effort by the management (Mayer et al., 1995; Morgan & Zeffane, 2003; Nooteboom, Berger & Noorderhaven, 1997; Schoorman et al., 2007). Spreitzer & Mishra (1999) called the same from the perspective of the management: give up or share control without losing control. Magner, Welker & Johnson (1996) found that participation correlated with increased trust levels among academic accountants. Blake, Mouton & McCanse (1989, chapter 8) even stated that every sound relation in an organization is based on trust. Similarly, Morgan & Hunt (1994) reported evidence indicating that the presence of trust is important for successful relations in the context of automobile tire retailers.

Individuals usually build relations while they are participating (Cooper, 2002). Strauss (1998) explained why participation and relations seem to be related: participants working together towards the same goal, tend to socialize and bond together, which leads to improved relations among them. Often, those relations are found across levels in organizations^{viii} (Birnbirg, 1998; French, Kay & Meyer, 1966). The foregoing is assumed to narrow the gap of inequalities between managers and employees as soon as they start interpersonal relations while working together (Blake et al., 1989, chapter 4; Wu & Lee, 2001). In the case when managers ask employees to participate in organizational change,

^{viii} Relations are not only found horizontally between individuals on the same skill level, experience level, or organizational hierarchy level (French, Kay & Meyer, 1966). Within organizations, relations can also be formed vertically between individuals on different hierarchical levels, like managers and workers (Birnbirg, 1998).

they implicitly grant them trust to make organizational change a success (Burke, 1987, chapter 2). Thus, several scholars revealed one view: interpersonal relations require trust^{ix}. Trust will be defined and clarified hereafter.

Employee participation is related to being trusted and trusting others

Trust has been researched from different scientific perspectives by economics, sociologists and psychologists, resulting in multiple views on trust:

- ▶ Economic theory brought the view that trust is more than an invisible and intangible asset to employees. The economic relevance of trust is that it reduces the need for specification and monitoring of contracts, leading to lower transaction costs (Nooteboom, Berger and Noorderhaven, 1997). Stated differently: trust pays. But this economic pay-off is not undoubtedly quantifiable (Nooteboom et al., 1997).
- ▶ From a sociological perspective, trust is considered rewarding for employees (Costa, 2000). Trust is rewarding through the provision of security in a group setting, whereas the opposite distrust is considered an important collective insecurity element in social relationships (Costa, 2003). Furthermore, trust secures the process of cooperation for employees with each other, whereas distrust is perceived as disturbing and raising obstacles for cooperation (Costa, 2003; Nurick, 1982).
- ▶ Other scholars, like Morgan & Zeffane (2003) described the psychological view, which implies that trust is an exchange process of informal, mostly implicit obligations toward others. In this exchange process, trust can grow with each positive personal experience, while one negative experience may wipe out trust for a long time. Loss of trust means loss of reputation (Nooteboom et al., 1997), which can affect the culture among employees within an organization negatively (Huang & Dastmalchian, 2004).

^{ix} Of course the short theoretical introduction of the meaning of relations among individual employees in organizations is not intended to describe its many complicated aspects. To describe relations in full would take at least an entire dissertation. Here, only those aspects of relations were described that are expected to be relevant in the context of participation of individual employees in organizational change.

The foregoing views have in common, that all individuals in a relation are considered to have motives to apply trust. Based on Morgan & Zeffane (2003), trust is considered bi-directional in nature: a so-called truster assesses the trustworthiness of a trustee, before granting the latter trust, while the first expects trust in return. Bi-directional does not implicate that trust is necessarily reciprocal: because for example A can trust B, while B independently may or may not trust A (Schoorman et al., 2007). In essence, trust does not always have to be returned. It consists out of two separate dimensions that can operate independently from each other. Both Scott (1980) and Costa (2000) stated that trust consists out of the following dimensions:

- ◆ Being trusted reflects a perception of the amount of respect that is received from others around the individual, almost like a cultural aspect (Scott, 1980). In the context of organizations, being trusted indicates perceived respect and confidence received from colleagues in the organization (Blake et al., 1989, chapter 2; House, 1971; House & Mitchell, 1974; Latham, Mitchell & Dosset, 1978). For example: when asked by the management to perform a special task or to join a specific team, this brings a sense of confidence among anyone who is being asked (Blake et al., 1989, chapter 8; French & Israel, 1960). Next, being trusted makes individuals feel more respected as a human being (Cooper, 2002). Several scholars articulated the foregoing as the feeling of obtaining a reward, when others respect the work one does in order to contribute to a greater goal, like for example organizational change (Schneider, Brief & Guzzo, 1996; Tzafrir, 2005). Furthermore, individuals within an organization who believe that they are trusted, feel more comfortable in their jobs (Alutto & Acito, 1974; Nurick, 1982).
- ◆ Trusting others consists of beliefs about others, together with some confidence in others and overt behavior towards others (Scott, 1980). Those others are perceived and approached with positive expectations and a willingness to become vulnerable in their presence (Costa, 2003). Spreitzer & Mishra (1999) added, that individuals show this approach based on their belief that the other party is competent, honest, reliable and concerned. Tzafrir (2005) added that managers trusting others usually show more willingness to take the risk of sharing decisional power. Also, employees trusting others, stay more focused on the contribution of their own results and don't get distracted by checking upon others (Morgan & Zeffane, 2003).

Following both dimensions of trust that were described above together with the current research context, the next two interpersonal relations dimensions were defined as follows and will be applied throughout this dissertation:

- ✓ Being trusted means that others are believed to respect (an) individual employee(s) to make the right CRM change related decisions.

- ✓ Trusting others means that (an) individual employee(s) reflect(s) the belief that others make the right CRM change related decisions.

The relationship between participation in its many forms and similar trust dimensions was supported by some empirical findings. Boselie, Hesselink, Paauwe & Van der Wiele (2001) reported that employee participation was a key factor for trust in a study among 2247 employees from an employment agency in the Netherlands. Tzafrir (2005) found evidence for a positive relationship between being trusted by others and participation among 104 human resource managers of Israelian companies that were larger than 200 employees. Nurick (1982) reported, that participation contributed positively to trust among 380 employees within one division of a utility located in the southeastern US. Morgan & Zeffane (2003) reported similar findings among 19,155 employees in 2,001 Australian organizations. Furthermore, Spreitzer & Mishra (1999) collected data from 517 top managers of 92 business units of automotive firms and concluded that participation in decision making was positively correlated with trust in others, although in their research model they assumed that trust would lead to participation instead of the reverse order^x. Furthermore, Magner, Welker & Johnson (1996) reported among 220 non-administrative faculty members of four universities in the US, that those who had participated in an evaluative program, showed more trust in their supervisor.

The foregoing findings suggested a possible relationship between the specific type of employee participation in decisions regarding organizational change of the customer relationship management type and both dimensions of trust in interpersonal relations, although such a relationship has not been reported yet. Based on the foregoing, the following hypotheses were formulated:

- H7. Employee participation is positively related to being trusted.
- H8. Employee participation is positively related to trusting others.

Being trusted and trusting others are related to CRM effectiveness

When employees form interpersonal relations, information from multiple sources is usually combined into shared knowledge (Cooper, 2002). Such shared knowledge may aid employees to gain influence and power in an organization (Coch & French, 1948; Conger &

^x The order of these variables is disputable, therefore all possible sequences will be tested using the current research data and the outcomes will be described in the results chapter.

Kanugo, 1988). The power of relations in large groups in organizations can be potentially tremendous (Dachler & Wilpert, 1978). In powerful relations, employees gain benefits from the pooling of others' expertise, access and resources, while trust grows (Church, 2008). These benefits encourage individual employees to do their very best for each other, leading to combined efforts towards a common organizational goal (Strauss, 1998). Thus, powerful interpersonal relations showing high trust levels often increase group and organizational effectiveness in general.

However, little is known whether powerful interpersonal relations with high trust levels would affect the specific type of CRM effectiveness which was introduced in the first chapter of this dissertation. Plakoyiannaki, Tzokas, Dimitratos & Saren (2008) stated to be the first scholars to report that employee participation and trusting relations positively affected the CRM effectiveness of a CRM organizational change in a UK automotive services organization case study. This single case study article did not predict the same outcomes in other industries like financial organizations, although it did not rule out the possibility that such relationships would work similarly.

Hence, it will be tested whether being trusted and trusting others would possibly affect CRM effectiveness in the current research. Therefore the following hypotheses were formulated:

H9. Being trusted is positively related to CRM effectiveness.

H10. Trusting others is positively related to CRM effectiveness.

Being trusted & trusting others are expected to play mediating roles

It was argued earlier in this dissertation, that employee participation does not have to lead to more effectiveness directly, but instead indirectly through mediating entities. Schneider, Brief & Guzzo (1995) theorized that the necessary ingredient for an effective organizational change is that participating employees build and improve trust levels in interpersonal relations. These improved trust levels in relations will increase the morale necessary to enhance the probability of actually having the change take root (Pennings, 1976; Schneider, Brief & Guzzo, 1995). Thus, it is through the act of involving employees in decision making that trust levels can influence effectiveness (Spreitzer & Mishra, 1999, Tzafrir, 2005).

Such mediating effect can be applied to the current research. The mediating effect is supposed to work as follows: individual employees participate together in decisions regarding organizational change and form relations. In these relations, participants are being trusted and their trust in others grows. Through the increased levels of being trusted and trusting others, the participants jointly enhance their CRM effectiveness of

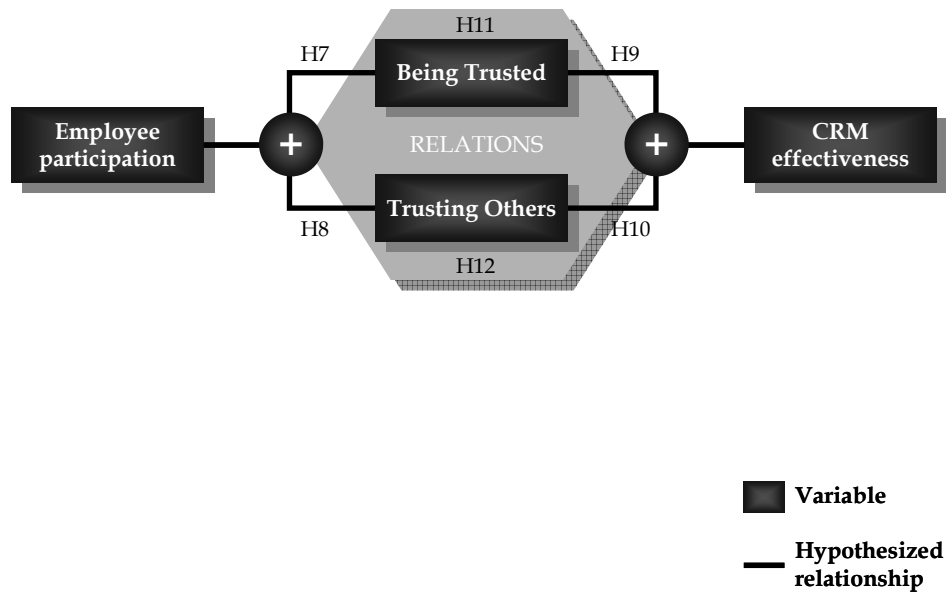
organizational change. The non-participants however, do not experience more trust levels and do not enhance their CRM effectiveness of organizational change. The level of employee participation may differ more or less between individuals which may be related to differences in being trusted and trusting others and through those differences in CRM effectiveness may occur. The foregoing led to the formulation of the following hypothesis:

- H11. Employee participation is positively related to CRM effectiveness through the mediating role of being trusted.
- H12. Employee participation is positively related to CRM effectiveness through the mediating role of trusting others.

Partial model iii: employee participation, trusted/trusting, CRM effectiveness

Figure iii provides an illustrative overview of the foregoing theories and numbered hypotheses. This figure on the next page illustrates the following predictions. First, it is predicted that employee participation leads to being trusted (hypothesis 7), which in turn leads to CRM effectiveness (hypothesis 9). Next, it is predicted that employee participation leads to trusting others (hypothesis 8), which in turn leads to CRM effectiveness (hypothesis 10). Consequently, being trusted and trusting others mediate the relationship between employee participation and CRM effectiveness (hypothesis 11 and 12). Altogether, these hypotheses underlying the research model predict an indirect relationship between employee participation and CRM effectiveness.

Figure iii: detailed partial research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by being being trusted and trusting others in interpersonal relations



2.4 THEORY ON JOB PRESSURES

In the introduction chapter it was already mentioned that employee participation may not always contribute positively to CRM effectiveness. In contrary, employee participation may contribute negatively to CRM effectiveness. This section will theorize these potential negative consequences.

Several scholars suggested that (employee) participation in its many forms may contribute negatively to the CRM effectiveness of organizational change. For example Dachler & Wilpert (1978) described participation as a system of actions and reactions. They theorized that in such system pressures on the jobs of employees may play an important role in the negative consequences of participation. When several individual participants want to change their organization, they have to confront each other with their similar and their different ideas. All ideas need to be discussed and weighed, before consensus can be reached about joint ideas. This process of confronting, discussing and weighing ideas puts pressures on individual participants to comply to joint ideas, before the organization can be changed in a joint direction (Church, 2008; Tosi, 1971). It is virtually impossible for every employee to comply with all joint ideas in an organization. Whoever does not completely comply may feel pressured by the others to do so (Burke, 1987, chapter 3). As a consequence, everyone being more or less involved in organizational change may feel pressured. Such pressure often undermines the advantages of participation (Cheney & Cloud, 2006). Some of the reported negative consequences of pressures were: employee depressions (Alutto & Acito, 1974), illnesses like employee burnouts (Elloy, Terpening & Kohls, 2004; Frone, 2000; Jackson, 1983), reduced perceived influence (Jackson, 1983) and reduced job performance (French, Kay & Meyer, 1966; Grove, 2004). Furthermore, it was reported that participation together with high pressures formed a threat to the effectiveness of a large appraisal system (French, Kay & Meyer, 1966). Logically Heller (1998) warned that participation is not always better when there is more of it.

The suggested negative consequences of participation are summarized under the label job pressures in the current research. Because of such job pressures, often it may not be possible to reach positive organizational change outcomes. Before describing the supposed relationship between (employee) participation and job pressures, first these job pressures will be clarified in the context of their negative impact on organizational change outcomes. Heller (1998) and Wilpert (1998) explained the foregoing in more detail, while pointing out three negative job pressures from participation that could lead to organizational change failures:

- ▶ Workload is a form of job pressure on individuals whose roles are (over-)loaded with activities that need to be finished in a limited timeframe (Conger & Kanugo, 1988; Grove, 2004). If a worker gets insufficient time to get the entire workload done, he or she will probably fail to do so, while emotional exhaustion and/or burnout can occur (Elloy, Terpening & Kohls, 2001). Insufficient workload can

cause problems as well (Grove, 2004). According to the Yerkes-Dodson Law (1908) an inverted-U shaped relationship exists between the amount of work demanded of an individual and the performance and health of that individual. In the case of a substantial deviation above or below the optimal band of workload for the particular individual, negative consequences can be expected (Grove, 2004). Especially above normal amounts of workload are often found in organizational change settings (Church, 2008).

- ▶ Stress is a form of job pressure that is characterized by emotional arousal within individuals (Bandura, 1977). Stress is mostly invoked by little control over someone's environment (Bordia, Hobman, Jones, Gallois & Callan, 2004; Grove, 2004). Low levels of stress can contribute to organizational change outcomes, because when individuals feel that control is possible, they can be motivated to make changes work (Grove, 2004; Piderit, 2000). Bandura (1977) described this positive effect of stress as an energizing function, because it can energize an individual to either show or to avoid certain behavior. However, organizational change is known as commonly related to high stress levels among many involved employees, because their current way of working and their current task control are disturbed (Dachler & Wilpert, 1978; Elias, 2009; Grove, 2004). High levels of stress in organizational change have the disadvantage of igniting resistance, which can threaten organizational change outcomes (Grove, 2004).

- ▶ Conflict is a form of pressure that was defined by Pusic (1998) as individuals working against each other in order to achieve alternative goals. Karasek, Gardell & Lindell (1987) defined conflict alternatively as conflicting opinions between employees. Furthermore, Eddleston, Otondo & Kellermanns (2008) described conflict as disagreements being characterized by anger and resentment. They theorized that high conflict levels can damage the harmony in relationships between individual employees, which can even make their organizations collapse. Low conflict levels can have a beneficial effect on organizational and individual performance (Eddleston, Otondo & Kellermanns, 2008), because disagreements are usually expressed and as a consequence these disagreements can be solved (Blake, Mouton & McCanse, 1989, chapters 6 & 8; Van der Vlist, 1991). However, high conflict levels can disrupt relations among colleagues or others, like for example customers (Msweli-Mbanga & Potwana, 2006). Frone (2000) made a distinction between conflict with supervisors and conflict with co-workers, but reported very similar effects: both were found to be associated with decreased satisfaction and increased illness. High conflict levels are common in organizational change contexts (Cutcher-Gershenfeld, 1991). High conflict levels are potentially explosive and destructive (Pusic, 1998), because conflict may hinder individual employees to form positive attitudes (Janssen, 2004). Wilpert (1998) summarized such views on conflict and concluded that some say that conflict means sand in the smooth functioning of organizations, while others tell that conflict facilitates innovation.

Thus, increased levels of the foregoing job pressures usually contribute negatively to organizational change outcomes. The upcoming sections will each theorize in which way employee participation can drive changes in these job pressures and how these pressures could potentially impact CRM effectiveness.

Employee participation is related to workload

Among others, Church (2008) and Spector (1996) described that participation costs time and energy from all involved individuals. Individual employees participating in organizational change next to their daily job, are confronted with additional workload. This workload on top of the regular work activities consists out of participative meetings, negotiations, discussions and other time absorbing activities. As a consequence, workload is supposed to be increased by participation, because participants need to invest more time and energy in decision making than non-participants.

The more participation takes time and energy away from other activities, the more negative consequences it will invoke, according to Kanter (1983). She wrote that most people are not willing to invest extra hours next to their daily job. Church (2008) added, that nowadays no one has enough time to commit to participation regularly. Conger & Kanungo (1988) stated that when jobs involve role overload, employees face powerlessness. In their view, participation can both lead to empowerment and to powerlessness, depending on the amount of workload on the participants. Spector (1986) theorized that workload as a possible negative consequence of participation of individual employees could possibly outweigh positive consequences, like increased satisfaction. Also, those who participate in organizational change often experience additional job pressures, which can make participation a burden (Church, 2008; Heller, 1998). A participative change strategy runs the risk of overloading employees with work which might cause exhaustion, tiredness, lesser performance and burnouts (Elloy, Terpening & Kohls, 2001). Grove (2004) added reduced personal accomplishment to the list of known negative consequences of excessive workload in organizational change context. Workload is also related to resistance towards organizational change and threaten its outcomes (Msweli-Mbanga and Potwana, 2006).

Following the foregoing descriptions on workload and applying it to the context of customer relationship management change, the next definition will be applied throughout this dissertation:

- ✓ Workload means that (an) individual employees' role(s) is (are) loaded with CRM change related activities to be finished in a limited timeframe.

The relationship between (employee) participation and workload in its many forms was supported by little empirical evidence. Elloy, Terpening & Kohls (2001) reported that low participation occurred in combination with low workload levels, which altogether worsened job conditions for 320 workers in a heavy industry manufacturing organization. No relationship between employee participation and CRM effectiveness was found in academic literature.

The foregoing theories suggested a supposed positive relationship between the specific type of employee participation in decisions regarding organizational change of the customer relationship management type and workload. Consequently, the following hypothesis was formulated:

H13. Employee participation is positively related to workload.

Employee participation is related to stress

Grove (2004) wrote in his dissertation about stress among individuals employed in an organization undergoing change, that tensions associated with organizational change often heighten the levels of stress among individual employees. For example, most organizational changes include job changes, which implicate loss of control over the old job. Any organizational change force threatening to remove control, usually leads to increased stress levels among individuals undergoing change (Grove, 2004). Stohl & Cheney (2001) described that tensions seem inherent in participatory and democratic practices. Bordia, Hobman, Jones, Gallois & Callan (2004) and Jackson (1983) described something similar under the label psychological strain. Psychological strain or stress can lead to several dysfunctional effects on individuals being involved in organizational change. Those dysfunctional effects include resistance, reluctance to cooperate, uncertainty, apathy, or even health problems (Grove, 2004; Jackson, 1983).

Based on the foregoing, the next definition of stress in the context of the current research will be applied throughout this dissertation:

- ✓ Stress means that (an) individual employee(s) is (are) emotionally aroused by low control over their changing CRM environment.

The relationship between (employee) participation and stress in its many forms is not very obvious. Scholars seem to disagree on a positive or a negative influence.

- The positive view on stress associates (employee) participation with increased stress levels. Because when participation is added to organizational change, individual employees are usually encouraged to come up with plans and opinions

(Church, 2008). Heller (1998) pointed out that this call may be too demanding for some participants. For example, if they do not possess the right competences or the ability to express opinions freely, participation can put extensive pressure on their shoulders leading to stress (Zwick, 2004). Alternatively, when contributions to organizational change decisions from certain participants become crippled or even erased by other participants, they may feel like being forced into an unwanted direction and as a consequence they may develop more stress (Kanter, 1983). Such view would expect (employee) participation to be positively related to stress.

- In the opposite negative view on stress, participation in organizational change may not be positively related to increased stress levels. Many scholars argued that most participants –and especially those who choose freely to participate– will not find a call for plans and opinions too demanding, they do not feel pressured and they do not experience more psychological strain (Jackson, 1983; Miller et al., 1990; Spector, 1986). Most participants like involvement and seem to like the extra control over their jobs that participation offers (Cooper, 2002). It is that extra control that provides them with more influence (Cooper, 2002), less insecurity (Grove, 2004), less threats (Bandura, Adams & Beyer, 1977) and last but not least less stress (Bordia et al., 2004; Grove, 2004). In such view heightened stress levels are not expected among participants being prepared for change, but instead among those being confronted with sudden organizational change like the non-participants (Burke, 1987; Grove, 2004; Jackson, 1983).

The last view, suggesting a negative relationship between participation in its many forms and stress has clearly been supported by several empirical findings. Shadur, Kienzle & Rodwell (1999) studied participation among 269 employees in an information technology company and found that participation correlated negatively with job related stress. Similarly, Jackson (1983) manipulated participation by assigning hospital employees to either a no-intervention or participation group, while the intervention was aimed at increasing employees' influence over work related issues. Jackson found that the intervention led to a significant reduction in emotional strain or stress. Interestingly, at another test six months after the participation took place, it appeared that there was no significant reduction anymore. Only during participation stress levels were lowered. In the context of an hospital organizational change, Bordia et al. (2004) reported negative correlations between participation in organizational change and stress. They explained that as follows: participation showed positive regression outcomes on control, which in turn showed negative regression outcomes on stress. Consequently, individual participants gained control over their jobs, which decreased stress levels. In effect, the higher amounts of stress that are usually common in organizational change, were instead lowered by participation via increased control (Bordia et al., 2004).

The foregoing theories and findings left room for a supposed negative relationship between the specific type of employee participation in decisions regarding organizational change of the customer relationship management type and stress. Consequently, the following hypothesis was formulated:

H14. Employee participation is negatively related to stress.

Employee participation is related to conflict

Organizational change usually consists out of opposing forces that push in different directions, like for example the force to maintain the current state and opposing forces to try new behaviors and ideas (Schein, 2002). Both organizations and individuals are confronted with these forces upon change (Schein, 2002). For example, sometimes the needs of individual employees conflict with the collective interests of the organization (Spreitzer & Mishra, 1999). In such perspective, any force into one direction may call for an opposing force –also called resistance (Swanberg-O'Connor, 1995)–to slow it down or to bend it. While resistance refers to an opposing force, conflict refers to the clash of several opposing forces. Tosi (1971) wrote that when individuals comply to one force, that makes it almost unavoidable for them not to clash with an opposing force. As a consequence of clashes, organizational change is often associated with increased amounts of conflict (Cutcher-Gershenfeld, 1991; Tosi, 1971).

Following the above descriptions on conflict in the context of customer relationship management organizational change, the next definition will be applied throughout this dissertation:

- ✓ Conflict means that (an) individual(s) employee(s) has collisions with (an) other(s) rooted in opposing CRM change related forces.

The association between (employee) participation and conflict in its many forms has been theorized by several scholars. Similar to the earlier described participation-stress views, scholars seem to disagree on the participation-conflict views.

- The positive view on conflict associates (employee) participation with increased stress levels. Because participants are associated with their own decisions, they cannot be considered independent anymore (Bouma & Emans, 2004). Often they need to explain their own decisions to other employees (Blake, Mouton & McCause, 1989; Pennings, 1976; Wanous, Reichers & Austin, 2000). In participation meetings, pro opinions meet con opinions sooner or later (Burke, 1987). For example, discussions between change willing participants and change resistant employees can easily lead to conflict (Bouma & Emans, 2004). Swanberg-

O'Connor (1995) called conflict between those who are with or against change the paradox of empowerment, because empowerment can become obsolete when parties are too busy fighting each other. Conflict is known to consume energy from participants, while their energy should instead be mobilized by empowerment or participation (Burke, 1987; Kanter, 1983; Pusic, 1998). In such view, (employee) participation is expected to be associated with increased conflict levels.

- The negative view on conflict pones the opposite relationship. Participation is a form of empowerment that does not have to lead to increased conflict. Conflict is something that all participants need to deal with (Pusic, 1998). As soon as conflict arises participants have to attend to it, otherwise many negative consequences will arise (Cutcher-Gershenfeld, 1991). The constant watch over potential conflict keeps all participants sharp (Pusic, 1998). Schuler (1980) wrote: the more participation, the more chances for conflict resolution. Blake, Mouton & McCanse (1989, chapter 8) theorized that participants are in the best position to learn how to solve conflicts. Because they are the ones who receive all kinds of information, which makes them the best actors to take all standpoints into consideration (Pusic, 1998). Participants tends to talk about conflict and discuss underlying disagreements. By doing so, they can often resolve conflict. For example, conflict can be resolved when the underlying misunderstandings are cleared, or when opposing opinions can be bent towards joint opinions after some reasoning. In such view, participation minimizes conflict (Wu & Lee, 2001).

The last (negative) view between (employee) participation in its many forms and conflict was supported by many empirical findings. Spector (1986) reported in his meta-analysis of 101 samples from 88 studies, that participation correlated negatively with conflict. Furthermore, Jackson (1983) performed a longitudinal field experiment among 95 workers in a hospital and found evidence that participation correlated more negatively with conflict levels over time. Even half a year after the intervention, the conflict levels remained lower in groups where participation had been applied in comparison to the conflict levels in control groups. Newton & Jimmieson (2006) studied 119 individual employees in an Australian local government council and reported strong negative correlations between participation and conflict. Next, Eddleston, Otondo & Kellermanns (2008) researched 86 individual (co-)owners of 37 family firms in the US and reported that participation in decision making negatively affected conflict. Also Schuler (1980) found that participation negatively correlated with conflict in two samples. One among 382 individual employees working for a glass products company and another sample among 429 individual employees of a large public utility firm. Unfortunately none of the foregoing scholars collected empirical evidence on such relationship regarding employee participation in customer relationship management organizational change.

The foregoing theories and findings left room for a supposed negative relationship between the specific type of employee participation in decisions regarding organizational change of the customer relationship management type and conflict. Thus, the following hypothesis was formulated:

H15. Employee participation is negatively related to conflict.

Workload, stress and conflict are related to CRM effectiveness

Dealing with workload, conflict and stress implies dealing with multiple job pressures^{xi} and consequently higher levels of effort are necessary before they can be overcome (Elloy, Terpening & Kohls, 2001). The higher the levels of workload, conflict and stress, the more efforts are necessary to deal with them. From the perspective of participants, those efforts can take their energy away from other work activities. As a consequence, job pressures are considered being non-productive in many organizations (Eddleston, Otondo & Kellermanns, 2008). Cutcher-Gershenfeld (1991) put the previously mentioned aspects in the context of organizational change. She wrote that the challenge and the potential for organizational change involved attending to the resolution of conflict. Plakoyiannaki, Tzokas, Dimitratos & Saren (2008) stated to be the first scholars to report that individual employee participation and stress negatively affected the CRM effectiveness of a CRM organizational change in a UK automotive services organization case study. This single case study article could not predict the same outcomes in other industries like financial organizations, although it did not rule out the possibility that such relationships would work similarly.

Thus, the pressures workload, conflict and stress are expected to negatively affect CRM effectiveness of organizational change. The foregoing led to the formulation of the following hypotheses:

^{xi} In his dissertation on stress, Grove (2004) wrote that three job pressures tend to strengthen each other. He stated that in particular excessive workload tends to invoke job-related stress, often leading to conflicts with co-workers and leaders. This view was supported by findings from Karasek, Gardell & Lindell (1987), who reported that workload and conflict correlated significantly among 8700 Swedish workers. Karasek et al. (1987) theorized that both workload and conflict were closely related to stress. Also Tosi (1971) reported findings among 488 managers of financial organizations indicating that job stressors affected conflict positively. Therefore, it needs to be tested in the current research if all three pressures should indeed be treated as three distinct scales.

H16. Workload is negatively related to CRM effectiveness.

H17. Stress is negatively related to CRM effectiveness.

H18. Conflict is negatively related to CRM effectiveness.

Workload, stress and conflict are expected to play mediating roles

Based on Ostroff & Schmitt (1993), (employee) participation is expected to increase organizational change effectiveness indirectly. The necessary ingredient for an effective CRM change could well be employee participation, which keeps negative pressures like conflict and stress levels low. Such low pressures levels can in turn increase the morale necessary to enhance the probability of actually having the change take root (Pennings, 1976; Schneider, Brief & Guzzo, 1995). In such view, it is through the act of involving employees in organizational decision making that pressures can influence effectiveness.

Such mediating effect can be applied to the context of the research on employee participation in customer relationship management organizational change, which was introduced in the previous chapter. The mediating effect is supposed to work as follows: individual participants show lower stress and lower conflict and higher workload levels. Heightened levels of these three pressures –workload, stress and conflict– together affect CRM effectiveness in a negative way. Based on the fact which pressures are more or less affected by employee participation, CRM effectiveness may decrease or increase. For example when employee participation leads to large amounts of extra workload and only small lower levels of stress and conflict, CRM effectiveness will be affected negatively. Workload, conflict and stress are supposed to play important mediating roles in the relationship between employee participation and CRM effectiveness, which led to the formulation of the following hypothesis:

H19. Employee participation is related to CRM effectiveness through the mediating role of workload.

H20. Employee participation is related to CRM effectiveness through the mediating role of stress.

H21. Employee participation is related to CRM effectiveness through the mediating role of conflict.

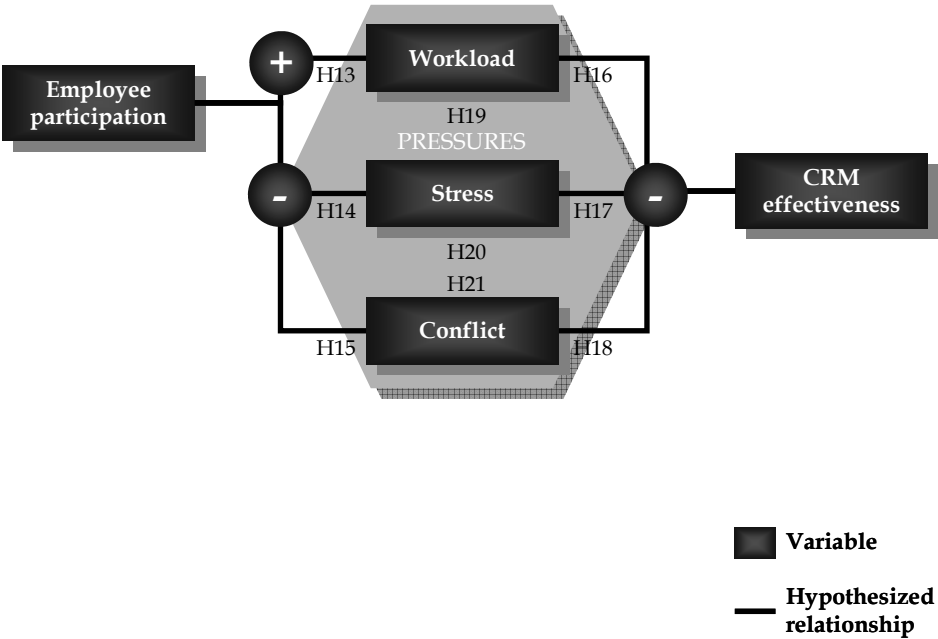
Partial model iv: employee participation, workload/stress/conflict, CRM effectiveness

Figure iv graphically represents the foregoing theories and the accompanying hypotheses regarding employee participation, workload, stress, conflict and CRM effectiveness. This figure on the next page illustrates the following predictions.

It is predicted that employee participation is positively related to workload (hypothesis 13), which in turn is negatively related to CRM effectiveness (hypothesis 16). Next, it is predicted that employee participation is negatively related to stress (hypothesis 14), which is also negatively related to CRM effectiveness (hypothesis 17). Then, it is predicted that employee participation is negatively related to conflict (hypothesis 15), while conflict is negatively related to CRM effectiveness (hypothesis 18). Furthermore, workload, stress and conflict mediate the relationship between employee participation and CRM effectiveness (hypotheses 19, 20 and 21).

Thus, some associations with job pressures are supposedly positive, others are supposedly negative. The hypotheses underlying the research model predict an indirect relationship between employee participation and CRM effectiveness.

Figure iv: detailed partial research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by the pressures workload, stress and conflict



2.5 THEORY ON JOB CONTENTS

Employees and participants do not only develop attitudes, relationships and pressures, as described in the previous sections. The most important reason why employees are hired, is because they can deliver job contents. Those job contents consist out of many elements like: decisions, decisional outcomes, (non-) routine activities, products, services, policies and (solved) issues (Locke & Schweiger, 1979; Koopman, Drenth, Bus, Kruyswijk, Wierdsma, 1981).

During organizational change, some of those job contents hardly change, while other job contents change entirely (Caldwell, 2003). All those more or less changed job contents together form the substance of organizational change (Armenakis & Bedeian; Caldwell, 2003). However, almost no individual employee can grasp the entire picture including all employee's detailed job contents within an entire organization, because usually everyone has a limited view over only those job contents that are positioned in and closely around their own work unit (Caldwell, 2003). Each individual employee has in-depth knowledge of the exact local situation of his or her own daily job (Strauss, 1998).

When individual employees are provided with the opportunity to participate in organizational change, they can utilize their in-depth knowledge of local situations. That knowledge puts workers in a better position than managers to plan and schedule their work in detail (Spreitzer & Mishra, 1999). Participation brings them autonomy to adapt those job contents that are under their immediate local influence (House & Mitchell, 1974). When they improvise and make incremental local changes in daily job routines, they can become more flexible (Blake, Mouton & McCanse, 1989; Burke, 1987; Church, 2008). Flexibility allows them to eliminate local bottlenecks or interruptions and as a result their local work becomes more balanced (Spreitzer & Mishra, 1999; Zwick, 2004). In such view, their local job contents will reflect an increased fit with their local organizational environment (Caldwell, 2003; Newton & Jimmieson, 2006).

The foregoing implies that individual participants may be better utilized to incorporate organizational change contents into their own local job contents, than non-participants. In such view, job contents may show more local fit after employee participation is introduced in organizational change. The upcoming sections will theorize the meaning of local fit, in which way individual participants can affect local fit and how local fit could make an entire CRM organizational change more effective.

Employee participation is related to local fit

Throughout scientific literature several descriptions of local fit can be found. For example, Armenakis & Bedeian (1999) described such fit as consistency between organizational processes, contents and contexts. Caldwell (2004) defined fit in terms of how well employees believe that their own values match those of their organizations. Newton & Jimmieson (2006) defined such fit as an employee's subjective fit with organizational culture including organizational values. Furthermore, Caldwell, Herold & Fedor (2004) described the local fit between individual employees and their environment in terms of compatibility or congruence. In his dissertation about local fit and organizational change, Caldwell (2003) preferred to study perceived local fit, since individual perceptions come closest to individual feelings of fitting in. He articulated that local fit has been seen as a potentially useful explanation of micro-level behavior of individuals.

Following the above descriptions on local fit in the context of employee participation in CRM organizational change, the next definition will be applied throughout this dissertation:

- ✓ Local fit means that (an) individual(s) employee(s) perceive(s) personal job contents to match CRM organizational change contents.

Caldwell (2003) theorized that several forms of local fit can be improved by introducing (employee) participation. Because whenever employees participate, they receive more control over their jobs and they get the chance to adapt their work processes, leading to a greater fit between their own local job contents and organizational change contents. Dunphy & Stace (1988) contributed the view that in such way incremental improvements can be implemented. They predicted a growing local fit between (parts of) organizations with future environmental conditions. In such view, many individual employees showing local fit of their changing job contents could together contribute to an improved fit of organizational change in their entire organization. Consequently, higher levels of local fit can be considered positive for both individuals and organizations (Caldwell, 2003).

Empirical findings support the foregoing views that local fit in its several forms can affect several other elements in the environment of individual employees. Local fit was reported to predict increased satisfaction (Newton & Jimmieson, 2006) and to predict decreased conflict (Newton & Jimmieson, 2006). Limited empirical support was found regarding a possible relationship between (employee) participation and some form of local fit. Newton & Jimmieson (2006) studied 119 employees of an Australian local government council and found a significant positive relationship between participation as a form of control from employees over job-related decisions and local fit.

The foregoing theories and findings left room for a supposed positive relationship between the specific type of employee participation in decisions regarding organizational change of

the customer relationship management type and local fit. Consequently, the following hypothesis was formulated:

H22. Employee participation is positively related to local fit.

Local fit is related to CRM effectiveness

When workers participate in organizational change, they are provided the opportunity to make improvements in their local job contents (Koopman et al., 1981; Locke & Schweiger, 1979; Wilpert, 1998). Their decisions and their decisional consequences can drive actions, set conditions, build policies and clear issues. The more individuals combine their knowledge of their local situations, the better the joint decisions affecting several local situations become (Strauss, 1998). Together, participants have more decision making capacity than alone. Together they are expected to enhance the performance of an entire organizational change (Church, 2008; Locke & Schweiger, 1979; Miller & Monge, 1986).

Logically, when many employees succeed in many improved local fits of their individual changed job contents, then a substantial part of the organization will notice a better match with the organizational change contents (Caldwell, 2003). In such view, a better fit is created between the needs of the individuals and the needs of the organization (Dunphy & Stace, 1988; Elloy, Terpening & Kohls, 2001). Caldwell (2003) added that improved local fit is supposed to result in improved organizational change outcomes. Burke (1986, chapter 5) theorized that an inconsistent fit between any pair of components of organizational change processes can result in less than optimal organizational and individual effectiveness.

Negatively stated, employees may simply abandon organizations when they do not fit in an organizational change. Caldwell (2003) theorized that those employees may not want to contribute to organizational change success. Based on the foregoing he suggested on one side a close relationship between low local fit and low organizational success. In his view, the employees with low fit would at least consider to leave an organization, while those with high fit stay. Thus, local fit is expected –but not yet empirically confirmed– to positively affect CRM effectiveness. The foregoing led to the formulation of the following hypotheses:

H23. Local fit is positively related to CRM effectiveness.

Local fit is expected to play a mediating role

Caldwell's (2003) related adaptive responses on the individual employees level to change effects on the organizational level and called the outcomes of those adaptations the increased local fit with their personal work environment. He argued that local fit is supposed to be measured on the individual level. Furthermore, he wrote that this individual level relates indirectly to the organizational level. In his view, individual participants can establish local fit directly and organizational change effectiveness indirectly. Conger & Kanugo (1988) expected something very similar. They wrote that participation will probably result in a desired level of individual performance, which in turn will produce desired outcomes for an entire organization.

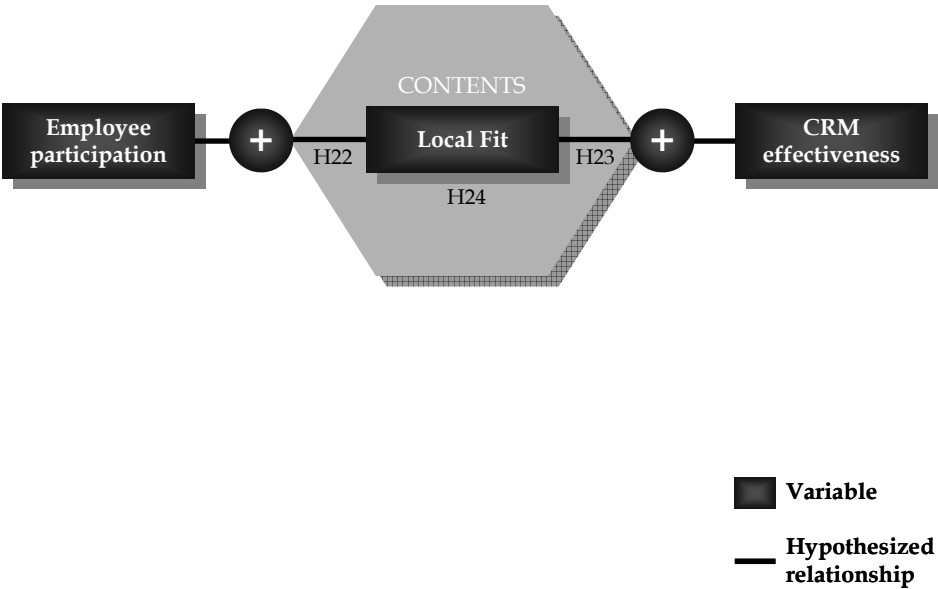
When both views from Conger & Kanugo (1988) and Caldwell (2003) are combined, it could well be that employee participation affects local fit, which in turn affects CRM effectiveness. The foregoing idea led to the formulation of the following hypothesis:

- H24. Employee participation is positively related to CRM effectiveness through the mediating role of local fit.

Partial model v: employee participation, local fit, CRM effectiveness

Figure v reflects the theoretical model representing the overview on all foregoing theories and hypotheses on employee participation, local fit and CRM effectiveness. This figure on the next page illustrates the following predictions. It is predicted that employee participation is positively related to local fit (hypothesis 22), which in turn is positively related to CRM effectiveness (hypothesis 23). Next, local fit positively mediates the relationship between employee participation and CRM effectiveness (hypothesis 24). Altogether, these hypotheses underlying the research model implicitly predict no direct relationship between employee participation and CRM effectiveness.

Figure v: detailed partial research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by the local fit of the job contents



2.6 THEORETICAL CONCEPTS

In this section the main concepts of theoretical chapter are summarized shortly. This chapter provided the theoretical overview regarding the concepts of employee participation, CRM effectiveness and their supposed mediating entities: intrapersonal attitudes, interpersonal relations, job pressures and job contents.

Such intrapersonal attitudes were suggested to consist out of both constructs ownership and satisfaction, while interpersonal relations were suggested to consist out of both constructs being trusted and trusting others. Furthermore, job pressures were suggested to consist out of three constructs workload, conflict and stress, while job contents were suggested to consist out of the construct local fit.

For each of the foregoing constructs, definitions were presented in this chapter. Although in some cases these variables were reported to correlate with participation or effectiveness in many contexts, there is no evidence yet that these constructs correlate with the specific employee participation and the specific CRM effectiveness as hypothesized in this dissertation.

Hypotheses overview

To test whether employee participation is related to CRM effectiveness through the mediating roles of the foregoing mediators, the hypotheses below were theorized and formulated earlier in this chapter.

Based on theory on intrapersonal attitudes:

- H1. Employee participation is positively related to ownership.
- H2. Employee participation is positively related to satisfaction.
- H3. Ownership is positively related to CRM effectiveness.
- H4. Satisfaction is positively related to CRM effectiveness.
- H5. Employee participation is positively related to CRM effectiveness through the mediating role of ownership.

- H6. Employee participation is positively related to CRM effectiveness through the mediating role of satisfaction.

Based on theory on interpersonal relations:

- H7. Employee participation is positively related to being trusted.
- H8. Employee participation is positively related to trusting others.
- H9. Being trusted is positively related to CRM effectiveness.
- H10. Trusting others is positively related to CRM effectiveness.
- H11. Employee participation is positively related to CRM effectiveness through the mediating role of being trusted.
- H12. Employee participation is positively related to CRM effectiveness through the mediating role of trusting others.

Based on theory on job pressures:

- H13. Employee participation is positively related to workload.
- H14. Employee participation is negatively related to stress.
- H15. Employee participation is negatively related to conflict.
- H16. Workload is negatively related CRM effectiveness.
- H17. Stress is negatively related to CRM effectiveness.
- H18. Conflict is negatively related to CRM effectiveness.
- H19. Employee participation is related to CRM effectiveness through the mediating role of workload.

- H20. Employee participation is related to CRM effectiveness through the mediating role of stress.
- H21. Employee participation is related to CRM effectiveness through the mediating role of conflict.

Based on theory from job contents:

- H22. Employee participation is positively related to local fit.
- H23. Local fit is positively related to CRM effectiveness.
- H24. Employee participation is related to CRM effectiveness through the mediating role of local fit.

The previously hypothesized mediators may not work independently from each other. The foregoing mediating effects may become stronger or weaker upon the addition of other mediators. Thus, testing the combination of all mediators instead of isolated mediators may reveal more insights. For example one isolated mediator between employee participation and CRM effectiveness –like local fit– does not have to play the same role in a different situation with multiple mediators in a combined research model. If support would be found for local fit as a single mediator between employee participation and CRM effectiveness, then it would be interesting to test if this mediator would contribute similarly upon the addition of satisfaction and all the other mediators. Therefore, the combined final hypothesis was added.

Based on integrated theories:

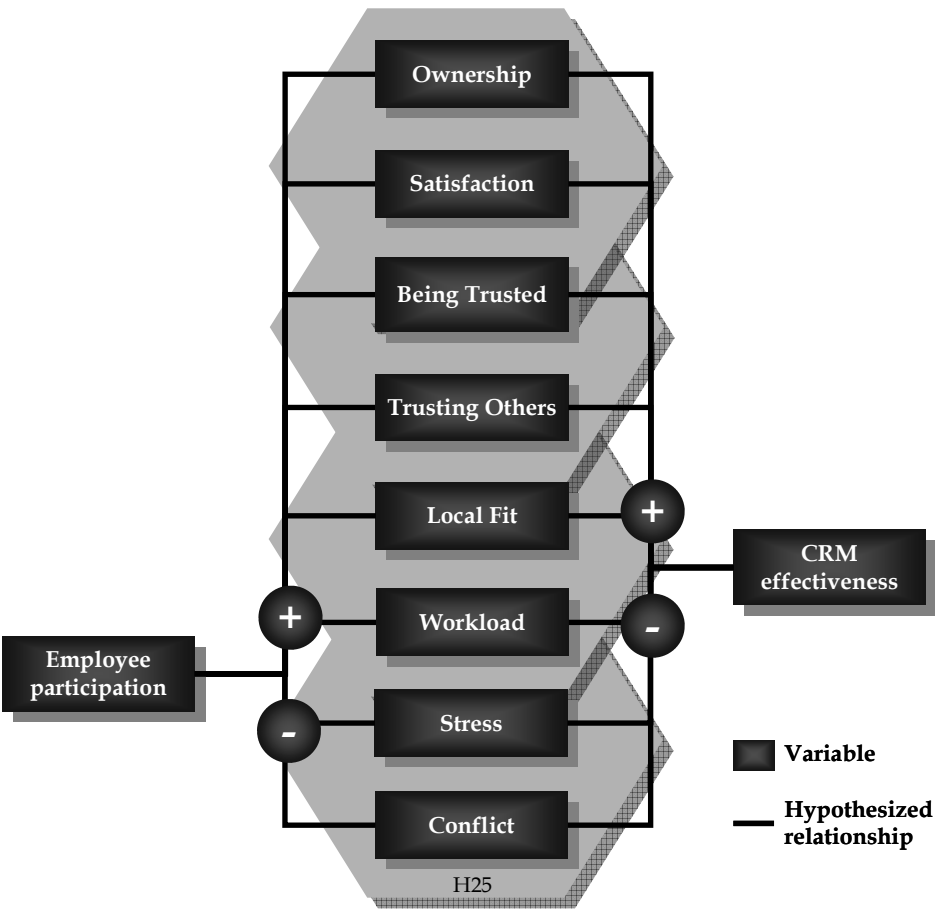
- H25. Employee participation is related to CRM effectiveness through the mediating roles of ownership, satisfaction, being trusted, trusting others, workload, stress, conflict and local fit.

Overview model vi: employee participation, mediators, CRM effectiveness

The last one hypothesis numbered 25 is graphically represented in the hypothesized overview research model (Figure vi) on the next page. This research model shows the independent variable (employee participation) on the left hand side, which is supposed to influence the dependent variable (CRM effectiveness) on the right hand side via the positive or negative mediating roles of all forementioned mediators.

The upcoming chapter will describe the method together with the context of the current research.

Figure vi: overview research model reflecting the relationship between employee participation and CRM effectiveness which is supposed to be mediated by ownership, satisfaction, being trusted, trusting others, local fit, workload, stress and conflict



3 METHOD

This chapter will describe the method applied to the current research. The following sections will reveal the context, population, sample, constructs, scales and data collection.

3.1 RESEARCH POPULATION & SAMPLE

Employee participation was reported to play a critical role in a specific organizational change type: customer relationship management (Plakoyiannaki, Tzokas, Dimitratos & Saren, 2008; Wanous, Reichers & Austin, 2000). Both employee participation and customer relationship management –also known by its acronym CRM– were introduced in the introduction chapter of this dissertation. There it was also suggested that financial organizations were expected to be more ready for implementing CRM, than most other types of organizations, based on Winer (2001).

Thus, a field study was performed regarding participation in CRM organizational change among financial organizations. First it will be described which financial organizations introduced CRM, then the criteria for those organizations to be included in the current research will be described. Then the organizations that were asked to cooperate and the organizations that cooperated will be described, including the number of employees that was confronted with the CRM organizational change. A part of those employees participated more or less; another part did not or hardly. Both so-called participants and non-participants took part in the current research. Next, the construction of the scales and items for use in a questionnaire for all those employees will be revealed, including the sources that were used, followed by the explication of the assumptions that were included in the current research. Then the pilot study will be described in which the scales and items were first tested, the initial data was gathered and the initial interviews were conducted. After that, the main study will be described, including the data gathering process and the interview setup. Finally, the quantitative and qualitative checks will be revealed that were performed to test the preliminary outcomes of the current research. The foregoing method will be detailed starting hereafter.

Population: employees changing financial organizations towards CRM

Between the beginning of 2000 and the beginning of 2007, CRM was introduced in many financial institutions in the Netherlands. Those financial institutions consist out of banking institutions, insurance institutions and other financial institutions like financial advisory services. According to internal market reports from Deloitte Consulting (2004) and the

Verbond van Verzekeraars in the Netherlands (2008), all four banking institutions with a market share above five per cent in the Dutch mortgage market^{xii} implemented CRM. Similarly, all eight insurance institutions with a market share above five per cent in the Dutch life or non-life insurance market^{xiii} implemented CRM in those years. Furthermore, all five global financial advisory services institutions^{xiv} with a market share above five per cent in the Dutch financial advisory services market implemented CRM in their own organizations and in several client organizations. In these 17 large financial institutions CRM was considered a popular organizational change type between 2000 and 2007 (Deloitte Consulting, 2004; Verbond van Verzekeraars, 2008).

Consequently, the current study kept constant many of the variables that may exist across many contexts by applying the following conditions for inclusion in the population:

- a. Individual employees implementing ...
- b. one particular organizational change type (customer relationship management) ...
- c. in one particular organization type (financial organizations) ...
- d. in one particular cultural region (the Netherlands) ...
- e. in one particular decade (from the beginning of 2000 to the beginning of 2008, thus the research ended before the credit crisis started).

^{xii} Those banking institutions with a mortgage market share above 5 per cent in the calendar year 2004 were: ABN Amro, ING, SNS and Rabobank based on internal market data from Deloitte. These large banking institutions consisted out of many different organizations, for example ING was divided into the banking organizations Postbank and ING Bank.

^{xiii} Those insurance institutions with a life or non-life insurance market share above 5 per cent in the calendar year 2004 were: Aegon (with their organizations Axent and Meeus), Aviva (with their organizations ABN Amro Insurances, Delta Lloyd, Ohra), Eureko (with their organizations Achmea, Avero, Levob and Hagelunie), Fortis (with their organizations Amev, Amersfoortse and SR), Rabobank (with their organization Interpolis), ING (with their organizations NN, IAN), SNS (with their organization Reaal) and Swiss Life.

^{xiv} Those financial advisory services institutions with a market share above 5 per cent in the calendar year 2004 were: Accenture, Atos/KPMG, CapGemini/Ernst & Young, Deloitte/Deloitte & Touche/Bakkenist and IBM Advisory/PriceWaterhouseCoopers.

While the foregoing scope limited the potential generalization of results, it also limited some threats to internal validity. Because if certain groups of employees would participate under circumstances that would possibly bias the results of the research, then conclusions regarding all employees could become obscured. For example, Armenakis & Bedeian (1999), Holden (1996), and Zwick (2004) warned that conditions in the external environment around organizational change could potentially bias organizational change outcomes, like country specific culture and politics, large technological advances, industry specific competitive forces, or extreme economic circumstances. Therefore, it was chosen to keep the current research environment as homogeneous as possible. In the current research, all individuals within the population were implementing CRM in quite similar financial organizations while making use of the technological possibilities and limitations known by these organizations in the beginning of the current century.

Sample: employees changing sixteen financial organizations towards CRM

Each financial institution that was described in the previous section consisted out of several financial organizations that operated under their own brand names with their own management and their own legal structure. In those financial organizations, especially the consultants in the field of financial advisory services played expert roles in the introduction of CRM. These consultants were often hired by the banks and insurance organizations to guide them through the implementation of CRM. Usually the experience of these consultants with implementing CRM in their own organizations was shared with their client organizations. One of these consultants –the researcher and author of this dissertation– implemented CRM in sixteen client organizations between 2003 and 2006. These sixteen organizations were approached by the researcher and all agreed to cooperate with the current research under the following conditions:

- a. Anonymousness, indicating that no organization names and no employee names nor details referring to specific organizations and specific employees were to be revealed.
- b. Minimum usage of time from employees, which dictated specific requirements to the current research method: a short questionnaire, no repeated measurements over time and a limited amount of interviews.
- c. Shared insights, which meant that insights gained from the results of the research had to be shared with the managers of each organization under study.

All these client organizations offered financial products and services.

Of these sixteen organizations, one offered life insurances and related financial products only; four offered financial services ranging from accounting management services to financial support services and eleven offered insurance products together with mortgages to their customers in the Netherlands. These organizations can be characterized as follows:

1. The first organization offered insurance products together with mortgages to customers. The jobs of 82 employees changed because of the introduction of CRM and 72 of these employees cooperated in the current research (87.8 per cent response rate).
2. The second organization was smaller, but offered similar insurance products together with mortgages to customers. The jobs of 47 employees changed because of the introduction of CRM and 15 of these employees cooperated in the current research (31.9 per cent response rate).
3. The third organization offered similar products to customers as well. The jobs of 60 employees changed because of the introduction of CRM and 30 of these employees cooperated in the current research (50.0 per cent response rate).
4. The fourth organization offered similar products to customers. The jobs of 56 employees changed because of the introduction of CRM and 50 of these employees cooperated in the current research (89.3 per cent response rate).
5. The fifth organization offered similar products to customers. The jobs of 30 employees changed because of the introduction of CRM and 22 of these employees cooperated in the current research (73.3 per cent response rate).
6. The sixth organization offered similar products to customers. The jobs of 93 employees changed because of the introduction of CRM and 49 of these employees cooperated in the current research (52.7 per cent response rate).
7. The seventh organization offered similar products to customers. The jobs of 64 employees changed because of the introduction of CRM and 44 of these employees cooperated in the current research (68.8 per cent response rate).
8. The eighth organization offered similar products to customers. The jobs of 57 employees changed because of the introduction of CRM and 29 of these employees cooperated in the current research (50.9 per cent response rate).

9. The ninth organization offered similar products to customers. The jobs of 40 employees changed because of the introduction of CRM and 28 of these employees cooperated in the current research (70.0 per cent response rate).
10. The tenth organization offered similar products to customers. The jobs of 72 employees changed because of the introduction of CRM and 35 of these employees cooperated in the current research (48.6 per cent response rate).
11. The eleventh organization offered similar products to customers. The jobs of 54 employees changed because of the introduction of CRM and 24 of these employees cooperated in the current research (44.4 per cent response rate).
12. The twelfth organization offered financial trust management services and many related products to customers. The jobs of 62 employees changed because of the introduction of CRM and 44 of these employees cooperated in the current research (71.0 per cent response rate).
13. The thirteenth organization offered life insurances and related products to customers. The jobs of 130 employees changed because of the introduction of CRM and 118 of these employees cooperated in the current research (90.8 per cent response rate).
14. The fourteenth organization offered financial management services and related products to customers. The jobs of 213 employees changed because of the introduction of CRM and 49 of these employees cooperated in the current research (23.0 per cent response rate).
15. The fifteenth organization offered similar products to customers. The jobs of 59 employees changed because of the introduction of CRM and 51 of these employees cooperated in the current research (23.0 per cent response rate).
16. The sixteenth organization offered similar products to customers. The jobs of 98 employees changed because of the introduction of CRM and 72 of these employees cooperated in the current research (73.5 per cent response rate).

In total, 1217 jobs were affected by the introduction of CRM and 732 employees cooperated with the research. In all foregoing organizations, CRM was introduced following the same implementation plan, with the same goal and scope, with the aid of the same consultant organization. This implementation plan consisted out of a customer relationships oriented long-term business strategy and a short-term operational customer relationships improvement plan containing the activities that needed to be performed in order to reach the long-term goals.

The foregoing homogeneous research field implicated that the research results from this sample were not expected to be biased by different organization industries, different organization change types, different implementation approaches, or different consultancy approaches. In all sixteen organizations, consultants wrote the organizational change plan, based on a so-called best practice roadmap. This roadmap was rooted in Lewin's (1951) and Schein's (2002) phased organizational change process. The roadmap consisted out of the following three phases over time from the start to the end of the CRM organizational change:

- I. In the first (unfreezing) phase, consultants from one financial advisory services organization constructed a business case. In that business case, the advantages and disadvantages of CRM for each organization, together with the estimated revenues minus costs of the CRM implementation and a planning of the activities over time were described. The business case was presented and discussed with managers, followed by the first go/no go decision made by top management. In the case of a no go decision, CRM was not implemented in that organization and could therefore not be researched. After a go decision, top management of each organization was asked to cooperate with the current research. These top managers formed a so-called steering committee with the mission to steer the CRM organizational change towards one main strategic change goal: improved customer relationships. This unfreezing change phase lasted approximately three months on average.
- II. The second (transitional) phase started after a go from top management. Following Labianca, Gray & Brass (2000), (employee) participation was introduced from the beginning of this phase. In each organization, top management asked a few managers to provide them with names of individual employees that could possibly benefit the organizational change. Those employees were then asked to participate in this particular organizational change. In turn, these employees were asked to find more employees that were also asked to participate in the change. Those employees were formally assigned roles in organizational change team. This team then consisted out of workers, team leaders, lower and middle management from all kinds of departments and from most hierarchical levels in the organization. Then, in the case of missing skills and experience regarding organizational change, experienced consultants were hired and added to the change team. The change teams in those 16 organizations were mixed with on 50 to 70 per cent internal employees and 30 to 50 per cent external consultants. All of them were asked to make joint decisions in their own assigned roles in organizational change teams. Some of them were involved in decisions regarding strategic issues like the go/no go decision, others regarding tactical or operational issues, ranging from customer satisfaction related issues to computer screen layout issues. This particular type of participation of individual employees can be considered as formal and direct participation (Cotton et al. 1988; Leana & Locke, 1990). After that, the members of the change team (the so-called

participants) were asked to brainstorm to form ideas regarding the implementation of customer relationship management, followed by interviews and meetings with other organizational members who were not part of the change team (the so-called non-participants). In this way, other organizational members who were not formally assigned a role in the change team, were provided the opportunity to contribute their suggestions. These suggestions were gathered and put on a list by the members of the change team and reported by them to the steering committee, which is considered a form of informal and indirect participation (Cotton et al. 1988; Leana & Locke, 1990). After that, the change team started with the construction of a requirements list. This requirements list consisted out of all necessary processes that needed to be improved via organizational change, like for example improved customer service, and/or improved procedures to handle customer complaints, and/or an improved computer system for sharing customer information (Brown, 2000; Chen & Popovich, 2003; Payne & Frow, 2005). On average, this requirements list consisted out of hundreds of processes that participants found important to change. The requirements list was slightly altered and approved by the steering committee. Then the approved list was used to construct the so-called design of organizational change. The change team constructed a design of each process within the organization that needed to be changed to be able to fulfill the requirements. Each process change was then assigned to a member of the change team to add further details, like job descriptions and documented roles and responsibilities. This member of the change team had to consult others in the organization before finalizing his or her process design. Each process design consisted out of activities, job descriptions, job titles of employees incorporating the changes in their own work, computer applications that supported these changes and its underlying processes and control mechanisms. Consequently, each process design was approved by the steering committee before being implemented. After such approval, the change team received assistance from an information technology team and a training team. The technology team programmed developments in a CRM computer system, while the training team provided courses for non-participants to prepare them for the upcoming changes in the following (third) change phase. The CRM change was not only to be incorporated into the work of participants, but also into the work of non-participants. At least some representatives of the latter needed training before being able to work using the newly developed computer system, processes and job tasks. Dependent on the speed of programming and training, a so-called go live date or change date was chosen by the steering committee together with the change team at which everyone in the organization was supposed to change to the new processes. Until that date, all non-participants were not involved in organizational change and continued to work using the former computer systems, processes and job tasks. This transitional change phase lasted approximately six months on average.

- III. The third and last (freezing) phase started from the above mentioned go live date and lasted approximately six more months on average. From that date, everyone in the organization had to incorporate the changed processes and systems into their own work, which of course raised many questions, triggered issues, led to complaints and ignited suggestions for incremental improvements among many employees. It was the change team that had to collect all those questions, issues, complaints and suggestions and to put them on a so-called issue list. If the change team could not answer a question or follow up on a suggestion, then it was sent to the steering committee. Weekly meetings with representatives from the steering committee and the change team were held to make joint decisions regarding incremental suggested improvements of the change. Several incremental improvements were added. Meanwhile some managers from the change team or the steering committee evaluated the change together with the author of this dissertation. In this phase, the research models were discussed and data was collected. Data was not collected in earlier change phases, based on Jackson (1983) who wrote that the effects of participation in decision making would not be manifested immediately in the early phases of organizational change. She repeated her measurements in a longitudinal field study several times and found that the measurement optimum was six months after the beginning of an intervention. Just in case that her findings under different circumstances would be applicable to the current research setting, Jackson's measurement moment was applied to the current research. Thus, all information used in this research was gathered during this last phase of organizational change in sixteen organizations implementing customer relationship management six months after the go live date of the CRM organizational change.

3.2 RESEARCH SCALES & ITEMS

In the final CRM organizational change phase of the sixteen financial organizations mentioned in the previous section, information was gathered to test all hypotheses from the previous chapter.

Scales construction: context-specific items and constructs

Gustavson, Sainfort, Eichler, Adams, Bisognano & Steudel (2003) stated: there is no objective measurement of organizational change success: usually this is measured by opinions of individuals. Grove (2004) added, that organizational change is driven by changes of individuals within the organization. Individual employees change an organization from the inside. Without these individual employees, there would be no

organizational change. Pasmore and Fagans (1992) emphasized on the importance of individual employees and called the development of organizational citizens the next frontier of organization development. They stated that organizations are composed of individuals and they feel that it's time that it is recognized that developing organizations requires the simultaneous developing of the people within (Pasmore & Fagans, 1992, page 391). Jackson (1983) articulated that organizational change outcomes should be measured in terms of perceived influence of individual employees. Furthermore, the relationship between an individual employee and the concept of employee participation is considered a one to one relationship, whereas the relationship between an organization and employee participation is a one to many relationship. In such view, the current research should focus on the individual employee level, which implies that subjective individual perceptions will be researched which should not be confused with objectivity. Inclusion of more objective measures on a higher organizational aggregation level would add more complexity to the research method.

In the specific context of employee participation in CRM organizational change no existing scales were available for the dependent variable (CRM effectiveness), the independent variable (employee participation) and the supposed mediating variables of the research model (Figure vi). However, some existing scales from different contexts were found that could be used for inspiration. These existing scales were slightly altered to fit the context of CRM organizational change. These altered scales were first discussed by one experienced scholar at the University of Groningen and the author of this dissertation. The author then interviewed four middle-managers of a life insurance organization and three consultants, each of them separately for one hour discussing the expected applicability of the research model and the applicability of all corresponding scales, variables and items. These interviewees recognized the research model and confirmed this to be applicable to CRM organizational change. During these interviews it was also discussed which items should be used in a questionnaire aimed at individual employees. Those discussions led to the following constructs and items that reflected the specific context of the current research:

- ✓ The independent variable (employee participation) was described in the second chapter as active involvement in decisions regarding organizational change. Also in that chapter, three dimensions of participation were introduced: actors (involved individuals), subjects (impact of decisions) and controls (involvement level). All three dimensions were operationalized in an employee participation variable with corresponding items and scales. Scales from Bordia, Hobman, Jones, Gallois & Callan (2004), Falcione (1974), Pennings (1976), Pool, Drenth, Koopman & Lammers (1988), Siegel & Ruth (1973), Shadur, Kienzle & Rodwell (1999) and Tosi (1970) were used as a starting point. Those scales were discussed with the interviewed experts and then altered to specifically describe participation in decisions related to CRM organizational change. Each individual respondent was considered one *actor*. That approach resulted for example in an item describing a respondent's own job related change decisions and another item describing

strategic decisions regarding a respondent's vision on CRM (*subject*). Finally, based on Dachler & Wilpert (1978) the control dimension was added, containing the scores of each of the previously mentioned items on five *control levels*: 'being bypassed', 'being informed', 'being consulted', 'being involved' and 'being a decision maker'. For example, the employee participation variable listed items 'Regarding what CRM means for my job, I was <control level>' and 'Regarding the vision to introduce CRM, I was <control level>'.

- ✓ The dependent variable (CRM effectiveness) was described in the second chapter as a perception on the success of customer relationship management (CRM) organizational change in financial organizations in the Netherlands. In the interviews described before, scholars, managers and consultants were asked to brainstorm to form ideas on the measurement of CRM effectiveness. These brainstorm sessions led to a list of CRM effectiveness items, like: CRM provides me the capability to predict what my customers want; When I work with CRM I can efficiently make customer value calculations; In the CRM system I can see clearly what my colleague has discussed with a customer; When I work with CRM. I can efficiently solve customer complaints; When I work with CRM. I can efficiently improve customer satisfaction; When I work with CRM. I can efficiently sell products to customers. All these items were measured on a five-point Likert scale, ranging from 1 representing 'strongly agree' to 5 representing 'strongly disagree'. This five-point measurement scale was also applied to the upcoming scales that will be described hereafter. This construct was later found to reflect the CRM performance construct that was identified by Bowman, LaValle, Mittal, Narayandas, Ramani & Varadarajan (2006).
- ✓ Ownership was described in the second chapter as an attitude of acceptance, possession, responsibility, dedication and commitment. Operationalization of ownership was inspired by the item lists from Morgan & Hunt (1995) and altered to fit the CRM context of this research, leading to the formulation of the following items: It interests me what CRM brings; I can accept the new way of working with CRM; I accept the way we need to work with CRM; I feel personally responsible for the success of CRM; When CRM is not used well by someone, I address it to them; I totally support the necessity of CRM.
- ✓ Satisfaction was described in the second chapter as an attitude of contentment and fulfilled desire. Operationalization of satisfaction was inspired by item lists from Huang & Dastmalchian (2004), Pennings (1976) and Steensma (1988) and altered to fit the CRM context of this research, leading to the formulation of the item: I am satisfied about the attention that CRM gets. Other items reflecting satisfaction were also formulated (Table i), although these were excluded from the current research later based on later expert interviews or unsatisfactory test

statistics, that will be explained in more detail later in the quantitative checks section later in this chapter.

- ✓ Being trusted was described in the second chapter as a relations construct indicating a belief in received respect from others to make the right decisions. Operationalization of being trusted was inspired by the item list from Schoorman, Davis & Mayer (2007) and altered to fit the CRM context of this research. Three items corresponding to being trusted were chosen: My colleagues, my direct boss and top management respects me when I work with CRM.
- ✓ Trusting others was described in the second chapter as a relations construct indicating a belief that others are trustworthy to make the right decisions. Operationalization of trusting others was inspired by items from Boselie, Hesselink, Paauwe & Van der Wiele (2001), Huang & Dastmalchian (2004), Mayer, Davis & Schoorman (1995), Morgan & Hunt (1995), Spreitzer & Mishra (1999) and altered to fit the CRM context of the current research. Three items corresponding to trusting others were chosen: I trust the people who implement CRM for doing this well; I trust top management to provide CRM with sufficient attention; I trust that my colleagues together will make CRM a success.
- ✓ Local fit was described in the second chapter as a contents construct indicating that changed job contents match with organizational change contents. The operationalization of the foregoing in a corresponding scale was inspired by Newton & Jimmieson (2006), who articulated that local fit exists when personal values are similar to organizational values. Based on the discussions and interviews described before, this scale was altered to fit the CRM organizational change context. The following corresponding items were chosen: Me and my colleagues really need this CRM way of working; The CRM system is obviously tailor made for me; The CRM system is exactly made for my work situation.
- ✓ Workload was defined in the second chapter as as a pressures construct indicating work roles that are loaded with organizational change related activities to be finished in a limited timeframe. The corresponding scale was inspired by Steensma (1988) and altered to fit the CRM organizational change context. The following items were included: My workload has increased through CRM; Working with CRM costs more time than before we had this.
- ✓ Stress was described in the second chapter as a pressures construct indicating emotional arousal by low control over a changing organizational environment. The corresponding scale was based on Bordia, Hobman, Jones, Gallois & Callan (2004) and Shadur, Kienzle & Rodwell (1999) and modified to fit the CRM organizational change context. The following items were used: Concentrating on other things is difficult when I think of CRM; CRM leads to headaches.

- ✓ Conflict was described in the second chapter as a pressures construct indicating collisions with others rooted in opposing organizational change forces. Inspired by the item lists from Eddleston, Otondo & Kellermanns (2008), Frone (2000), Janssen (2004), Morgan & Hunt (1995) and Tosi (1988) conflicting interests and colliding viewpoints were included in the items list. Also regarding conflict, their items lists were altered to fit the CRM context of the current research. The following items were included: CRM is a source of conflict with my colleagues; I have lots of collisions with others about how to work with CRM; Mine and other's interests conflict when it comes to CRM.

After the construction of the before mentioned items and scales, their usability was tested in the context of CRM organizational change in one financial organization. The research items were used in a questionnaire. The full list of all research items per corresponding variable can be found in Table i, presented upon the end of this chapter.

3.3 RESEARCH ASSUMPTIONS

Before the scales and items from the previous section were used for gathering data, the following assumptions were explicated regarding the potential influences from respondents, the researcher and the environment on the current research data.

Random respondent influences

There was no reason to assume that there would be any respondent characteristics –such as the sex, background, nor ethnicity of individual employees– that would lead to a significant bias in this research, because regression analyses from Eddleston, Otondo & Kellermanns (2008) reported no basis for meaningful associations between such respondent characteristics and participation. Similarly, Koopman, Drenth, Bus, Kruyswijk & Wierdsma (1981) studied the possible moderating effects on the relationship between (employee) participation and several outcome variables for the following respondent contingencies: duration of employment, length of time in the present job, age, education, group size, union membership, groups atmosphere and organizational climate and found that none of these moderating effects showed significant influences. Furthermore, Frone (2000) reported no basis for meaningful associations between such respondent characteristics and several supposedly mediating entities like intrapersonal attitudes, nor job pressures. Similarly, Boselie, Hesselink, Paauwe & Van der Wiele (2001) reported no significantly disturbing differences between managers and shop floor level employees in their study on employee participation, commitment and trust among individual employees

from an employment agency in the Netherlands. Consequently, respondent characteristics were assumed to be random and nondisturbing in the current research.

Random researcher influences

There was no reason to assume that there would be any researcher role characteristics that would lead to a significant bias in the research. The author of this dissertation occupied multiple roles: a researcher role and a consultant role. He was not a typical scholar studying employee participation in customer relationship management organizational change from the outside of organizations. He was also hired as a consultant by those organizations, which meant that he was present in all organizations under study almost on a daily basis from the start to the end of the organizational change implementation. Such a role of a consultant was described in more detail by De Jong & Van Eekelen (1999). The main advantage of these multiple roles is, that his position brings the opportunity to gather a wide range of rich information from many sources in the organization. However, the main disadvantage of these multiple roles is that whoever observes and questions a changing organization may unintentionally interfere (Schein, 2002). There is no such thing as pure objectivity in such a research setting. The main advantage and the main disadvantage were assumed to outweigh each other and altogether to have negligible influences on the current research outcomes.

Constant environmental influences

It was assumed that the current study will keep constant many of the variabilities that may exist in an (CRM) organizational (change) environment –such as technology use, competition, capital investment, economic situation, customer base– by focusing on a single organization type in one single cultural area: financial organizations in the Netherlands. Furthermore, Jayachandran, Sharma, Kaufman & Raman (2005) examined and found no significant difference between business-to-business and business-to-consumer organizations in their usage of CRM processes, nor between services and goods organizations. They also reported no significant influences from environmental dynamism and competitive intensity on CRM processes. Next, there was no reason to assume that other environmental influences outside the current scope of the current research models –like for example organization size– would lead to a significant bias in the current research, based on the empirical findings from Spreitzer & Mishra (1999) who reported that organization size was unrelated to employee involvement. Furthermore, it was assumed that the Dutch financial organizations under study were homogeneous in nature. That is: there were no differences assumed between these organizations that could potentially cause any bias in the current research.

Central roles for mediating influences

For all reasons indicated above, no moderating effects were included in this research. This research focuses solely on the relationship from employee participation via several mediating effects on CRM effectiveness, which was graphically represented in Figure vi in the previous chapter.

3.4 RESEARCH DATA

The current research data was obtained in two rounds. First a pilot study was conducted, followed by the main study. Both will be described hereafter.

Data collection: pilot study among employees of one insurance organization

After the construction of the items and scales, a pilot study was conducted in 2003 among 130 employees at one life insurance company introducing CRM with support from one consulting organization. This pilot study was published by Bouma & Emans (2005). The employees consisted of 121 subordinates and 9 middle managers. In-depth pilot interviews were held with four of these managers and three external consultants separately for one hour, who all recognized the research model and confirmed that its underlying items were applicable. Next, they handed a paper questionnaire to their subordinates, to be filled out at the workplace and returned to the researcher. Of those 130 managers and subordinates, 118 responded, leading to a response rate of 91 per cent.

With data from all these respondents in the pilot study, a preliminary factor analysis was performed to determine whether the variables used in the research model reflected distinct constructs. The rotation method used for this factor analysis was direct oblimin^{xv}. This preliminary factor analysis on only the data from the pilot study confirmed that the variables used in this study reflected distinct constructs (Bouma & Emans, 2005). Afterwards, these pilot results were discussed with the same four managers and three external consultants in a second interview round, followed by discussions with three

^{xv} Direct oblimin is preferred over varimax rotation in studies like the current where factors are supposed to be intercorrelated (Field, 2002).

scholars at the university of Groningen. The managers, consultants and scholars agreed, that the research model with its underlying variables, items and scales was usable for researching employee participation and several supposedly mediating constructs in customer relationship management organizational change among individual employees from financial organizations in the Netherlands. They also came to the conclusion that more data was needed to gain further understanding of the foregoing (Bouma & Emans, 2005).

Data collection: main study among employees of sixteen financial organizations

During the period between 2003 and 2006 sixteen financial organizations, including the organization where the pilot took place, cooperated in the current research. Data was gathered in each organization during the final implementation phase. As described in the previous section, this implementation phase corresponded with six to twelve months after the date when all employees started using CRM in their jobs. In these sixteen organizations, the jobs of 1217 individual employees in the Netherlands were changed because of the implementation of CRM. These individual employees worked in the following departments: field forces, mailrooms, call centers, account management and customer services. All individual employees were asked orally by their managers and in writing via an e-mail to fill out one online questionnaire during working hours. After one week of non-response, a second reminder e-mail followed. Each e-mail was signed by their top management, stating the importance of cooperation and contained a clickable link to the online questionnaire. The bottom of the questionnaire provided room for open comments and a send-button to submit scores through the internet.

All scores of the individual employees were gathered through an online internet application. Application of this web based request handling system required each respondent to answer all items in the questionnaire. This automated system checked for missing values before sending the questionnaire, although that limited the total number of respondents to only those who had fully answered all items. Of the 1217 individual employees, 732 respondents returned complete questionnaires, leading to a response rate of 60.15 per cent. All responses were processed anonymously, although a unique identification code per respondent was used to assure that no one could respond more than once. Because of this anonymous processing, it was not possible to perform statistical tests among non-respondents to test whether this group of non-respondents would or would not deviate from the group of respondents. A data table with all individual responses was constructed automatically. The automation of this data collection and entry process avoided human coding errors.

Preliminary qualitative checks: interviews and discussions

After the data collection and the analyses took place, the outcomes were presented to one manager and one consultant per organization. This presentation was combined with an (third) interactive interview aimed at performing qualitative checks and obtaining qualitative insights. Most of these interviews were conducted in the managers' office and took approximately two hours, except for ten manager interviews and three consultant interviews that were conducted by telephone and took between ten minutes up to half an hour with an average of fifteen minutes. In those interviews, the research outcomes were evaluated and discussed.

Fourteen managers and eight consultants described the CRM organizational change in terms of a difficult change process in their organizations. Twelve managers indicated, that it had taken several hundreds of mandays from internal employees and external consultants to implement CRM. They indicated that the individual participants in the change team had worked many extra (evening) hours every day to prepare the CRM organizational change. These managers had realized that the individual participants did not have time for regular job activities anymore. Consequently, the individual participants were released from previous tasks, so that they could focus entirely on CRM. Adding extra individual participants so that the total workload would be reduced for those who participated, was not considered as an option. These managers and consultants objected against increasing the number of participants, because they found it necessary to keep a critical mass of workers focused on the daily (old) business instead of shifting their focus to the (new) CRM business during the preparation of the CRM change. For organizational survival on short term, it was considered necessary to keep most employees busy with the old activities during change phases I and II, like described earlier in this chapter. From the implementation date, all employees were fully trained to work using CRM (change phase III). At the moment they received the questionnaire (change phase III), all employees (both participants and non-participants) had recently started working with CRM. At that time, everyone was still learning more about CRM while they were working with it. Unfortunately it was not possible to repeat the questionnaire later in time, so that no longitudinal data could be gathered. None of the managers wanted to cooperate with repeated research, because they told the researcher that they wanted their workers to learn more about CRM, instead of 'wasting more time on filling out questionnaires', like one of the managers expressed himself.

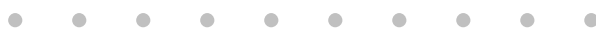
All interviewed consultants described CRM as a success, but only five interviewed managers agreed. The majority of eleven managers called it 'not a complete success nor a complete failure' during the interviews, indicating that CRM was not useless but also had not completely fulfilled their up-front expectations. Of those eleven managers, the majority of six said that possibly the expectations were too high beforehand. Another manager indicated that he thought the main reason for not fulfilling their expectations had to do with too much focus on technology. Most man days were used for programming a Siebel

CRM software system to support employees in their CRM-related tasks, like for example creation of spending overviews per customer, showing correct customer information on the screen for call center agents and automated reminder e-mails for employees that did not contact a customer when they were supposed to do so. Of the eleven managers, the remaining four disagreed with the foregoing and merely blamed the strategic focus on CRM. They indicated, that too much time was spent on meetings with participants discussing the future direction of the organization. This future direction implicated that the relations with customers should be improved and maintained better. These managers indicated that it might have been better to focus more on CRM operation instead of CRM strategy. One of the managers stated, that he had 'rather seen individual participants focus on improving customer relations today, than thinking about tomorrow and doing nothing today'. All of the foregoing preliminary information regarding the side-effects of the method was gathered from the interviews.

Preliminary quantitative checks: distinctiveness, distribution and reliability

To ensure that the quantitative data resembled distinct constructs, an exploratory factor analysis was performed using principal component analysis and direct oblimin rotation with kaiser normalization. This type of factor analysis was chosen based on expected correlations between factors in the current research, which was explained in the previous chapter. Based on this factor analysis, all items with lower factor loads than .40 were discussed with managers and scholars. It was decided to drop these from the item list. These dropped items were indicated by the deleted classification in the right column of Table i.

After that, apparently all constructs consisted out of three items, except for CRM effectiveness (7 items), ownership (6 items), workload (2 items), stress (2 items) and satisfaction (1 item). Then, another factor analysis using principal component analysis and direct oblimin rotation with kaiser normalization was performed to confirm a ten factor solution with the ten previously described variables. This rotation method was chosen over for example varimax rotation, because of the expectation that correlation may exist between variables. All factors were distinct with robust eigenvalues above the critical value of one. Table ii lists the factor loads of these items on each factor, while Table iii lists the number of items per construct.



Each respondent's score per construct was then calculated as the average scores on all underlying items^{xvi}. Miles & Shevlin (2007) described that most statistical tests require an almost normal distribution of all underlying constructs, otherwise conclusions could become crippled or even erroneous. Therefore, the resemblance to a normal distribution of each construct was first tested using kurtosis and skewness tests. All skewness and kurtosis values per construct can be found in the right columns of Table iii. Most constructs showed acceptable normal distributions with kurtosis and skewness values close to zero. For example, the construct labeled effectiveness showed a kurtosis value of .14 and a skewness value of -.29. However, the original employee participation construct that was formerly used in the pilot study showed a kurtosis value of 1.97 and a skewness value of 1.48. While being close to the usual critical value of 2, these values were high enough to raise doubts regarding a normal distribution. The underlying items showed similar outcomes. Item skewness was between 1.35 and 1.57 and item kurtosis was between 1.26 and 1.94, indicating far from perfect normal distributions. Such a non-normal distribution was logically explained by the fact that employee participation is a so-called effort-type of construct (Miles & Shevlin, 2007, pp. 80-81). An effort-type of construct hardly ever follows a normal distribution, because reaching average results is relatively easy reached by average efforts, but reaching above average results takes more than above average efforts. In such case, Field (2002) suggested to run two additional tests on detailed data, namely the Kolmogorov-Smirnov and Shapiro-Wilk tests, although these tests cannot provide information on whether this deviation would be large enough to be causing biases. Both test outcomes from SPSS indicated significant ($p < .05$) deviations from the normal distribution for only the former employee participation construct that was used in the pilot study. Miles & Shevlin (2007, page 63), wrote that it is potentially dangerous to draw conclusions using statistical research methods like regression analysis on a dataset with an independent construct that is not (almost) normally distributed. They suggested some methodological approaches to overcome this non-perfect normal distribution. One of them would be to cut off all respondents with individual averages relatively far from the average on the scale (outlier elimination). The advantage of such an approach is, that a more perfect normal distribution can be obtained. However, the downside of this approach is that incomplete data often leads to incomplete conclusions. In the current research, more than ten percent of the respondents should have been dropped if this suggestion would have been followed. Removing such a substantial part of respondent data could have caused a large bias in itself. For that reason, no outliers were eliminated in this research. Furthermore, Miles & Shevlin (2007) suggested a log-transformation of an effort-type construct, which should lead to a more normal distribution with kurtosis and skewness

^{xvi} While items were measured using an ordinal scale with possible scores of only 1, 2, 3, 4 or 5; constructs were calculated as average scores on several of those items, leading to a much wider variation on the scale of 1 through 5 and constructs were expected to resemble a continuous scale and a normal distribution. The fit with a normal distribution was then tested per construct.

values much closer to 0. This approach was applied to the current research. After recoding the original employee participation construct from the pilot study using a log-transformation, the scores were stretched to match the initial scale width ranging from 1 through 5. Recoding led to a corresponding kurtosis value of -.58 and a corresponding skewness value of .54. Furthermore, regarding the improved employee participation construct, Kolmogorov-Smirnov and Shapiro-Wilk test outcomes did not indicate significant deviations from the normal distribution anymore. As a consequence, normal distribution resemblance was considered acceptable regarding all constructs including the independent construct labeled employee participation^{xvii}.

To assess the amount of representation of the items underlying each construct, first Cronbach alpha values were calculated. Table iii lists these Cronbach alpha values per construct. The constructs indicated acceptable values between .74 and .93 (above the usual critical value of .70), except for satisfaction which could not be calculated based on the fact that a Cronbach alpha test is only applicable to multiple item constructs. To assess the convergent validity of these constructs, the signs, sizes and significances of the estimated loadings were examined and the composite reliability was calculated using Lisrel. Table iii lists the composite reliability values for most constructs between .71 and .90. These values are above the usual critical value of .60 with the same exception: satisfaction. Then, to evaluate the discriminant validity, the average variance extracted (AVE) was calculated and represented in Table iii. All constructs have an AVE above the usual critical value of .40, ranging from .46 to .85. Based on the foregoing results, it was concluded that all constructs except for satisfaction are reliable (Anderson & Gerbing, 1988).

After the foregoing reliability tests, more statistical tests were performed to test whether influences from the organizational level would influence the individual respondent level. In such case, organization related influences could potentially lead to a bias in the research results regarding individual participants. Not many organizational differences were expected based on the fact that the organizations were considered merely homogeneous: all organizations sold the same products and services (financial products and services), operated in the same market place (the Dutch financial market) and implemented the same organizational change (customer relationship management) in the same way (using the same implementation approach applied by the same consultants). Nevertheless, individual participants could possibly reach different outcomes in different organizations. To test whether organizational differences would potentially bias the research outcomes, an one way ANOVA-Levene test was performed. Such a test checks the homogeneity of the variances between organizations for each variable in a research model. This test showed levels between 2.5 and 7.3 ($p < .01$) for the variables in the research model, indicating that

^{xvii} Throughout all following sections and chapters, employee participation refers to this construct.

differences were found between organizations. As a consequence of these differences, all upcoming regression analyses on the individual level shall be conducted at the individual employee level and repeated using multilevel analyses to control for differences between organizations. These multilevel findings must be considered with care, for sample size reasons described by Snijders (2005). If there would have been more than sixteen organizations in the sample, then the power of the multilevel analysis would have been much stronger and as a consequence the results would have been more reliable. As a consequence, each multilevel regression analysis result will be listed in the next chapter below each individual regression analysis result. Altogether, these test outcomes will provide single level information on individual employees regardless their organization followed by multilevel information on individual employees while controlling for different organizations.

Table i: List of items

Nr	Item	Variable
1	Respondent organization	Organization
2	Respondent e-mail address	Respondent
3	Respondent type	Respondent type
4	Organization type	Organization type
5	In my work I optimally use Customer Relationship Management (CRM)	CRM effectiveness
6	In my opinion CRM comes first	Deleted
7	I structure my work so that CRM gets sufficient attention	Deleted
8	CRM provides me the capability to predict what my customers want	CRM effectiveness
9	When I work with CRM I can efficiently make customer value calculations	CRM effectiveness
10	In the CRM system I can see what my colleague discussed with a customer	CRM effectiveness
11	When I work with CRM I can efficiently solve customer complaints	CRM effectiveness
12	When I work with CRM I can efficiently improve customer satisfaction	CRM effectiveness
13	When I work with CRM I can efficiently sell products to customers	CRM effectiveness
14	It is totally clear to me why we have implemented CRM	Deleted
15	I understand what the goal is of CRM	Deleted
16	I know the advantages and disadvantages of CRM	Deleted
17	It interests me what CRM brings	Ownership

18	I can accept the new way of working with CRM	Ownership
19	I accept the way we need to work with CRM	Ownership
20	I feel personally responsible for the success of CRM	Ownership
21	When CRM is not used well by someone I address it to them	Ownership
22	I totally support the necessity of CRM	Ownership
23	I have objections against CRM	Deleted
24	When I hear someone talk about CRM I feel resentment	Deleted
25	I dislike the changes that CRM brings	Deleted
26	I like working with CRM	Deleted
27	I am satisfied about the attention that CRM gets	Satisfaction
28	I rather do CRM related tasks than other tasks	Deleted
29	Communication regarding CRM is clear to me	Deleted
30	I am informed about what CRM means	Deleted
31	I have informed others about what CRM means	Deleted
32	My colleagues respect me when I work with CRM	Being trusted
33	My direct boss respects me when I work with CRM	Being trusted
34	Top management respects me when I work with CRM	Being trusted
35	I need support to be able to use CRM	Deleted
36	Regarding functional CRM issues I need support	Deleted

37	Regarding technical CRM issues I need support	Deleted
38	I trust the people who implement CRM for doing this well	Trusting others
39	I trust top management to provide CRM with sufficient attention	Trusting others
40	I trust that my colleagues together will make CRM a success	Trusting others
41	Me and my colleagues really need this CRM way of working	Local fit
42	The CRM system is obviously tailor made for me	Local fit
43	The CRM system is exactly made for my work situation	Local fit
44	My workload has increased through CRM	Workload
45	Working with CRM costs more time than before we had this	Workload
46	Because of CRM I don't have time for my other work	Deleted
47	Concentrating on other things is difficult when I think of CRM	Stress
48	CRM leads to headaches	Stress
49	Sometimes I can't sleep when I think of CRM	Deleted
50	CRM is a source of conflict with my colleagues	Conflict
51	I have lots of collisions with others about how to work with CRM	Conflict
52	Mine and other's interests conflict when it comes to CRM	Conflict
53	Regarding the vision to introduce CRM, I was ...	Employee participation
54	Regarding what CRM means for my job, I was ...	Employee participation
55	Regarding small CRM system changes I was ...	Deleted

56	Regarding changes of the CRM project approach, I was ...	Deleted
57	Regarding the decision to let my department work with CRM, I was ...	Employee participation
58	Regarding the decision to hire people to implement CRM, I was ...	Deleted
59	Regarding CRM investment decisions, I was ...	Deleted
60	Regarding the original go/no go decision to start CRM, I was ...	Deleted
61	Regarding the final go/no go decision to work with CRM, I was ...	Deleted

Note: items numbered 1, 2, 3 and 4 were solely used as unique identifiers of the respondents and their organizations; items numbered 53 and up were measured on five-point Likert scales consisting out of 'being bypassed', 'being informed', 'being consulted', 'being involved' and 'being a decision maker'; all other items were measured on five-point Likert scales consisting out of 'disagree entirely', 'disagree somewhat', 'neutral', 'agree somewhat' and 'agree entirely'; deleted refers to items that were excluded from the research when two or more respondents or interviewees indicated that they found that item confusing or when factor analysis indicated poor fit with the underlying construct.

Table ii: Factor loads of items

Item number	Factor load									
5	.07	.59	.01	.07	.04	.00	.17	.12	-.08	.06
8	.05	.70	.05	.01	-.10	.11	-.17	-.04	.01	.13
9	-.09	.75	.10	-.13	.01	.13	.04	-.01	-.10	.06
11	.00	.78	.06	-.06	-.07	.01	-.04	-.03	-.03	-.07
13	.02	.57	.00	.08	-.13	.03	-.05	.00	.01	.18
12	-.12	.77	-.04	.12	-.03	-.01	-.01	-.02	.12	-.05
10	.04	.85	-.05	-.04	.08	-.10	.09	.02	.04	-.09
18	.75	-.06	.02	.01	.00	.00	.06	.07	.06	-.07
17	.68	.02	.10	.08	-.15	.06	-.03	-.04	-.04	.03
19	.64	.02	-.09	.13	.09	-.02	.16	.06	.39	-.05
20	.76	.05	-.01	.01	.00	.05	.02	-.09	-.02	.06
22	.71	-.02	.09	-.13	.07	.01	.02	-.08	-.04	.09
21	.67	-.04	.01	-.11	-.04	.02	-.08	-.26	-.15	.03

27	.03	.02	-.02	-.01	.03	.00	.02	-.01	.03	.95
38	.11	-.02	-.04	-.06	-.11	.11	.78	-.07	-.12	-.07
39	-.07	.12	.11	-.04	.05	.08	.74	-.13	.10	.07
40	.07	.02	.07	-.01	-.20	.07	.62	-.05	.01	.13
32	-.04	-.01	-.01	-.05	.04	.82	-.01	-.07	-.06	-.10
33	.01	.03	.01	.01	-.03	.90	.07	.05	.03	.01
34	.06	-.01	.01	.08	.01	.86	.06	.07	.09	.13
41	.26	.08	.01	-.10	.03	.10	-.12	-.63	.05	-.15
42	.04	-.01	.04	.00	.01	-.03	.13	-.84	.02	.09
43	-.03	-.08	.01	.20	-.01	.03	.15	-.79	.07	.03
44	-.02	-.01	.03	.86	-.06	-.03	-.05	-.05	-.13	.01
45	.02	.04	.01	.90	.07	.04	-.04	-.06	-.04	-.01
48	-.02	.03	-.04	.23	.06	-.08	.12	.09	-.80	-.04
47	.00	-.03	-.02	.08	.13	-.03	-.05	.07	-.82	.00

50	-.03	-.03	-.01	-.05	.78	-.08	.03	-.06	-.13	.09
51	.02	-.01	.02	.02	.88	.06	-.03	.02	.00	-.03
52	.00	-.01	.01	.05	.86	.03	-.10	.00	.02	-.03
53	.02	-.01	.95	.01	.00	-.01	.00	.00	-.02	.03
54	.01	.03	.97	.04	.02	.00	.02	.04	.05	-.01
57	.00	-.02	.96	.00	.02	-.01	.01	-.01	.01	-.06
Label	Ownership	CRM effectiveness	Employee participation	Workload	Conflict	Being trusted	Trusting others	Local fit	Stress	Satisfaction

Note: factor analysis using principal component analysis and direct oblimin rotation with kaiser normalization, based on expected correlations between factors; rotation converged in 11 iterations; factor loads larger than or equal to .4 were included and highlighted; missing item numbers were excluded based on factor loads lower than .4 or eigenvalues lower than 1 after rotation; factors with eigenvalues above 1 were labeled with variable names; n = 732.

Table iii: Test statistics of variables

Variables	Test Statistics					
	Number of items	Cronbach alpha	Composite reliability	Average variance extracted	Kurtosis	Skewness
Employee participation	3	.93	.75	.64	-.58	.54
CRM effectiveness	7	.86	.84	.46	.14	-.29
Ownership	6	.88	.83	.47	.39	-.40
Satisfaction	1	-	-	.49	-.08	.03
Being trusted	3	.84	.75	.51	.74	-.43
Trusting others	3	.85	.71	.48	-.03	-.46
Workload	2	.86	.85	.85	-.42	-.13
Conflict	3	.84	.77	.53	-.06	.09
Stress	2	.74	.90	.81	.03	.30
Local fit	3	.87	.71	.46	-.05	-.38

Note: number of items lists the number of items per variable; cronbach alpha and composite reliability refer to the reliability of those scales with multiple items; composite reliability and average variance extracted were calculated using estimated lambda, theta delta and theta epsilon errors; kurtosis and skewness values indicate normal distribution deviations; n=732.

3.5 METHODOLOGICAL CONCEPTS

In this section the main methodological concepts that were described earlier in this chapter are summarized shortly.

Overview of research type, field, sample, data

The research model was tested in a non-experimental field study. Between 2003 and 2006 sixteen financial organizations cooperated with the current research. Interviews were conducted with managers, consultants and scholars to construct the items and scales underlying the research model.

Quantitative data was gathered in each organization during the final customer relationship management implementation phase, between six and twelve months after all employees started using CRM in their jobs. In these sixteen organizations, the jobs of 1217 individual employees in the Netherlands were changed because of the implementation of CRM. All individual employees were asked orally by their managers and in writing via an e-mail to fill out one questionnaire during working hours. The questionnaire was provided online and data was processed automatically to avoid coding errors. At the moment they received the questionnaire, all employees (both participants and non-participants) had recently started working with CRM. At that time, everyone was still learning more about CRM while they were working with it. After the quantitative data from 732 employees was gathered (60 per cent response rate), interviews were conducted with managers and consultants to discuss the findings and to add qualitative insights. In those interviews, the research outcomes were evaluated and discussed. All interviewed consultants described CRM as a success, while the majority of most managers called it 'not a complete success nor a complete failure', indicating that CRM was not useless but also had not completely fulfilled their up-front expectations. Of those managers, the majority said that possibly the expectations were too high beforehand.

To ensure that the quantitative data resembled distinct constructs, a factor analysis was performed using principal component analysis and direct oblimin rotation with kaiser normalization. This rotation method was chosen over for example varimax rotation, because of the expectation that correlation may exist between variables. All factors were distinct with robust eigenvalues. Each respondent's score per construct was then calculated as the average scores on all underlying items. Preliminary statistical tests revealed a non-normal distribution of original employee participation construct. Such a non-normal distribution is logically explained by the fact that employee participation is a so-called effort-type of construct, which hardly ever follows a normal distribution because reaching average results is relatively easy reached by average efforts, but reaching above average results takes more than above average efforts. However, it is potentially dangerous to draw

conclusions based on a dataset with an independent construct that is not (almost) normally distributed. To overcome the foregoing problem, a log-transformation was applied to this effort-type of construct in the current research. After that, normal distribution resemblance was retested and considered acceptable regarding all constructs including the independent construct labeled employee participation.

Unfortunately it was not possible to repeat the questionnaires and interviews later in time, so that no longitudinal data could be gathered. None of the managers wanted to cooperate with repeated research, because they told the researcher that they wanted their workers to learn more about CRM, instead of 'wasting more time on filling out questionnaires'.

The results of the current research will be presented in the next chapter.

4 RESULTS

This chapter aims to describe the results following the previously described method. The first section hereafter will reveal the results regarding the independent variable (employee participation) and the dependent variable (CRM effectiveness). Then, the results regarding intrapersonal attitudes as the first mediating entity between employee participation and CRM effectiveness will be described, while the following section will reveal the results regarding interpersonal relations as the second mediating entity. In the next section the results regarding job pressures as the third mediating entity between employee participation and CRM effectiveness will be described, followed by results regarding job contents as the fourth mediating entity. In the final section of this chapter, all of the foregoing will be integrated and the combined results will be revealed.

4.1 RESULTS ON EMPLOYEE PARTICIPATION & CRM EFFECTIVENESS

First the descriptive statistics of the independent and the dependent variable of the current research will be clarified.

Results on employee participation

The independent variable, employee participation, showed an average of only 2.21 (Table iv). On the scale of 1 through 5, this was hardly above the minimum value of the scale. This score represented something like 'being informed'. The standard deviation of employee participation showed a value of 1.14. The average scores of the individual employees per organization ranged between 1.20 and 3.42. Examination of the more detailed data on the individual employee level revealed that 38 per cent of all respondents had participated on the lowest level, indicating being bypassed on all subjects. Only a small minority of 2 per cent of the employees (workers and managers) had participated on the highest level, which meant being asked to decide on all subjects. 38 Per cent of all employees scored below 1.5 on the scale of 1 through 5, while only 4 per cent scored above 4.5. Miles & Shevlin (2007) called this a floor-peak shaped distribution, indicating that the majority of the scores is found in a relatively small peaked area on the left side of a scatter plot. This rather low level of employee participation subsequently showed when the scores on the item level were compared. Item averages ranged from 1.71 to 1.89 per item. Item standard deviations showed values between .99 and 1.04. The qualitative insights from the interviews with managers and consultants supported these figures: the majority of respondents had not participated heavily in CRM organizational change.

The post-research interviews were conducted to shed more light on this finding. One manager and one consultant for each of the sixteen organizations was interviewed to obtain additional insights in their thoughts on the level of participation. Most of these interviews took place in the offices of the sixteen managers, except for ten managers and three consultants who were interviewed by telephone. What mattered most to all of them, was that the CRM organizational change would be implemented in the most successful way. They said not to worry about giving up control by granting participants more control if that could improve the outcomes of the change.

Furthermore, one of the interviewed managers mentioned that his up-front expectations had been unrealistically high regarding the added value of employee participation in the customer relationship management implementation. Afterwards he considered those high expectations as impossible and added that he was satisfied with the current outcomes. Some employees participated, the majority did not. Nine interviewees indicated that a larger group of participants would be not realistic, based on the fact that not all employees may feel the need to participate in CRM. One manager commented: "Some wish to participate, while others simply do not. Some are more competitive than others and want to be the first to actively participate in new organizational developments, while the majority of others tend to passively watch and see things develop before they become convinced about the advantages." In his view, it was not realistic to expect much more employees to participate voluntarily in the CRM organizational change. One interviewee literally stated that he considered it unwise to force them into participation against their will. He said: "I expect such force to lead to resistance which needs to be avoided, because resistance might jeopardize CRM success."

It remains difficult to draw objective conclusions upon the foregoing qualitative insights that were obtained from the interviews, because it needs to be mentioned that this small group of managers and consultants was not randomly selected from all managers and all employees in the current study. Instead, all of them were active participants and each of them could therefore provide specific inside information regarding the CRM organizational change. Therefore, these post-research interviews are not used to provide objective nor representative information to the current research, but solely to add a few deeper insights from some of the insiders.

Results on CRM effectiveness

The dependent variable, CRM effectiveness, showed an average score of 2.96, which was close to the middle of the scale of 1 through 5 (Table iv). The overall standard deviation of CRM effectiveness was .79. 5 Per cent of the employees reported a low CRM effectiveness below 1.5 on the scale of 1 through 5, while 3 per cent reported a high CRM effectiveness above 4.5. When perceived per organization, the average score of the individual

respondents on CRM effectiveness ranged from 2.74 to 3.55. Examination of the more detailed data on the individual employee level revealed that only one item, 'when I work with CRM, I can efficiently improve customer satisfaction', scored above the average of the scale (3.63), the other items scored between 2.59 and 2.99. Those other items contained statements like 'when I work with CRM, I can efficiently sell products to customers', 'when I work with CRM, I can efficiently solve customer complaints' and 'CRM provides me the capability to predict what my customer want'.

These figures were supported by the qualitative insights from the interviews: the CRM effectiveness of the implementation of the customer relationship management organizational change was obviously not a great success but could also not be called a complete failure. The post-research interviews revealed that almost all managers and consultants originally had much higher expectations about the outcomes of CRM that did not come true. Most of them had expected that the relationships with customers would have increased much more because of the introduction of CRM, which was often not so much the case. An interviewed manager from the organization with the lowest CRM effectiveness score said: 'we all might have had extremely high expectations about what CRM would bring to us and our organization and we probably have filled out the questionnaire while being somewhat disappointed by the first results. Looking back, I must say that CRM is not an easy organizational change to implement. We have probably put too much focus on the technology and we should have put more focus on our workers to build customer related processes.'

Furthermore, five managers declared that they had expected technology to become the hardest part of the CRM implementation, although afterwards they found it much more difficult to motivate workers towards making CRM a success. These managers mentioned having underestimated the human component as a reason for not reaching the maximum possible CRM effectiveness. Looking back, they thought that they probably should have added some more participants to the CRM change process, so that a more powerful critical mass would have been established. Three other managers blamed the CRM technology, which they called immature.

Thirteen managers blamed their unsatisfactory CRM effectiveness on the fact that they were not finished implementing CRM. All sixteen organizations under study were still adding small incremental improvements towards better customer relationships at the time of the post-research interviews. Two managers called such improvements their learning process towards improved customer relationships. Longitudinal data would certainly have added more insights in this learning process, but unfortunately the managers wanted to invest in these improvements instead of investing more in research. One female manager told the author of this dissertation that she did not want more research outcomes to be revealed, even not in an anonymous study, because she felt ashamed that her organization did not reach more success and did not want competitors to know. She perceived the current findings as a weakness of her organization and considered those as classified. In

the post-research interviews, the consultants appeared being somewhat more positive about the CRM effectiveness than their management counterparts. Mostly, they indicated that the CRM organizational change was delivered (almost) on time and (almost) within budget, which was a clear sign to them of CRM success, while the managers did not declare such an implementation a success before customer relationships had become improved. The foregoing revealed that none of the organizations under study had yet reached maximum CRM effectiveness nor complete CRM organizational change success.

CRM effectiveness was always measured in the current study as the subjective views of individuals. Some individuals might perceive the CRM organizational change effectiveness different from others. Possibly, the CRM fan club could have acted as participants, while the others could have resided in the non-participants group. Logically, individuals who participated in the CRM organizational change may have obtained more knowledge and rate the success or effectiveness outcomes different than others. Following those perspectives, individual employees participating in decisions regarding the customer relationship management change might have rated the effectiveness of the change from a specific perspective. Such subjective perspective could potentially lead to structurally higher or lower scores on certain variables by participants in comparison to non-participants. Such scores could differ from objectivity and could potentially have biased the outcomes of the current research. This potential bias was addressed in the post-research interviews with managers and consultants. All interviewees called such potential bias unlikely, although none of them could prove that the participants group did not rate CRM effectiveness structurally higher or lower than others, nor that the participants group might consist out of an aselect sample from the entire employee base. To overcome this potential research weakness, Field (2002) suggested in such case to combine subjective and objective variables to make it less likely for response biases to distort the research results. For example, such bias can be overcome by the introduction of a more objective dependent variable (Field, 2002). In the current research the dependent variable –CRM effectiveness– can be replaced by the average CRM effectiveness score per sub-sample, indicating for each of the sixteen organizations the corresponding average CRM effectiveness from all their individual employees including participants and non-participants. Logically, this average CRM effectiveness is less subjective than CRM effectiveness, because the inclusion of all views from everyone in an organization will average any biased views from individual employees. When CRM effectiveness is replaced by average CRM effectiveness in the research model, then the correlations of variables with the average CRM effectiveness in the research model become weaker, although these remain significant (two-sided, $p < .05$). Employee participation by itself only explains one per cent of the change in average CRM effectiveness, while it explains six per cent of the change in CRM effectiveness. The research model fit shrinks upon the use of average CRM effectiveness as the dependent variable, although it remains significant (two-sided, $p < .05$). Of course, the introduction of such a variable on an aggregated level in a research model altogether with variables on a lower aggregation level should be used with care. That is why this aggregated level variable (average CRM effectiveness) is introduced only as an alternative dependent variable to check afterwards whether colored views from individual employees

could have biased research outcomes, or not. Based on the above described alternative analysis, it can be concluded that the current research results –based on subjective perceptions from individual employees– have been reconfirmed by more objective findings.

The following sections will reveal whether employee participation and CRM effectiveness are related to each other (in)directly via the mediating roles of intrapersonal attitudes, interpersonal relations, job pressures and job contents.

Table iv: Descriptive statistics of variables

	Descriptive Statistics			
Variables	Average	Standard deviation	Amount below 1.5	Amount above 4.5
Employee participation	2.21	1.14	.38	.04
CRM effectiveness	2.96	.79	.05	.03
Ownership	3.42	.79	.03	.10
Satisfaction	2.75	.97	.12	.04
Being trusted	3.06	.84	.07	.04
Trusting others	3.17	.86	.04	.04
Workload	3.28	.95	.03	.13
Conflict	2.62	.82	.20	.02
Stress	2.27	.81	.09	.01
Local fit	3.15	.93	.07	.06

Note: the scores on all scales range from 1 (low) to 5 (high); amount below 1.5 and amount above 4.5 refer to the number of respondents in that category divided by the total number of respondents; the total number of respondents equals n=732.

4.2 RESULTS ON INTRAPERSONAL ATTITUDES

In the second chapter of this dissertation, it was hypothesized that employee participation was positively related to both intrapersonal attitudes ownership, satisfaction and that those two intrapersonal attitudes were positively related to CRM effectiveness of customer relationship management organizational change. In this section the results regarding those ownership and satisfaction variables will be revealed.

Results on employee participation, ownership & satisfaction, CRM effectiveness

Table iv shows average scores close to the scale middle. Ownership averages just above the scale middle of 3.42 and satisfaction averages 2.75 just below the scale middle. The standard deviations are respectively .79 and .97. Consequently, on average the individual employees were not overly satisfied and also not badly dissatisfied with the customer relationship management organizational change. They felt slightly more ownership than satisfaction with this organizational change.

In Table v the Pearson's correlations can be found. All correlations are significant on the $p < .01$ level, at two-sided tests. These correlations support the first four hypotheses, numbered 1 through 4:

- ✓ Employee participation is positively related to ownership.
- ✓ Employee participation is positively related to satisfaction.
- ✓ Ownership is positively related to CRM effectiveness.
- ✓ Satisfaction is positively related to CRM effectiveness.

In order to find support for the final hypotheses of this section, numbered 5 and 6, first mediation needs to be tested. Baron & Kenny (1986) introduced three conditions that need to be fulfilled, before mediation can be accepted:

- a. There is a significant correlation between the independent variable (here: employee participation) and the mediators (in this case: ownership and satisfaction).
- b. There is a significant correlation between the mediators (here: ownership and satisfaction) and the dependent variable (here: CRM effectiveness).

- c. The regression slope from the independent variable (employee participation) on the dependent variable (CRM effectiveness) shrinks upon the addition of the mediators to the regression model.

Holmbeck (2002) and Preacher & Hayes (2004) specified the last condition more precise:

- d. If this regression slope shrinks from significant to insignificant, then full mediation can be accepted.
- e. If this regression slope shrinks and stays significant, then partial mediation can be accepted, if a Sobel test proves that the effect of the independent on the dependent variable via the mediator is still significantly different from zero.

Furthermore, Table vi lists several regression models in subsequent columns. These models show a step by step improvement (delta R^2) of the model fit (R^2) from left to right. In each step, variables are added to the regression model. The left column indicates, that employee participation alone only explains 6 per cent of the change in CRM effectiveness (Model 1). When the ownership variable is introduced in the regression model, then the explanatory value increases to 29 per cent (Model 2). Instead, when the satisfaction variable is introduced in the regression model, then the explanatory value of the model becomes 33 percent (Model 3). In those models numbered 1 through 3, the regression slope (β) of employee participation shrinks from .17 to .09. As this slope remains significant, condition d was not met and no support was found for full mediation. To test condition e, a Sobel test was performed on the decreasing regression slopes and their corresponding significance levels. Condition e was met because the Sobel scores of 3.53 (Model 2) and 4.12 (Model 3) did show significant ($p < .01$) support for partial mediation. Furthermore, when both satisfaction and ownership are included simultaneously without employee participation (Model 4), the explanatory value of the regression model increases to 40 per cent. Finally, when employee participation is added (Model 5), the explanatory value increases with only 1 per cent. In the last model, employee participation again shows a relatively small significant contribution to the model: its regression slope value (beta) drops to .07. Meanwhile, ownership and satisfaction show much higher regression slopes of .31 and .34 at a significance level of $p < .01$. The Sobel test score of 4.35 ($p < .01$) confirmed partial mediation in Model 5.

The foregoing indicated support for mediation of ownership and satisfaction regarding all individual employees regardless the organization for which they work, but did not reckon with possible disturbing side effects from one or more organizations (Jones, 2008). Therefore, all above analyses were repeated using multilevel regression analysis techniques that provide the opportunity to calculate each model fit on the aggregation level of individual employees, while influences on the organizational aggregation level are controlled. The outcomes of these calculations are represented in Table vii. Again, the models show a step by step improvement (decreasing delta X^2) of the model fit (X^2) from

left to right. Model 1 shows a model fit of 1485. The models numbered 2 and 3 show that the indirect influence from employee participation on CRM effectiveness through mediation of ownership and satisfaction decreases. Furthermore, the models numbered 4 and 5 show that the model fit hardly changes upon the addition of employee participation (from 1162 to 1132). Consequently, the results in Table vii do not bring new insights when compared to the results in Table vi^{xviii} and the same insights are reconfirmed.

Additional Lisrel calculations reveal the model fit statistics for each previously mentioned mediating model. Model 2 representing ownership as an isolated mediator shows a root means square error of approximation (RMSEA) value of .08 ($p < .05$), a goodness of fit index (GFI) of .86 and a comparative fit index (CFI) of .95. Model 3 representing satisfaction as an isolated mediator shows an RMSEA value of .07 ($p < .05$), a GFI of .91 and a CFI of .97. Next, Model 5 representing ownership and satisfaction as combined mediators shows an RMSEA value of .08 ($p < .05$), with a GFI .84 of and a CFI of .95.

Thus, support was found for ownership and satisfaction as partial mediators between employee participation and CRM effectiveness and hypotheses number 5 and 6 were both supported:

- ✓ Employee participation is positively related to CRM effectiveness through the mediating role of ownership.
- ✓ Employee participation is positively related to CRM effectiveness through the mediating role of satisfaction.

Thus, due to its positive effects on ownership and satisfaction, employee participation adds to CRM effectiveness. Qualitative insights from post-research interviews with managers and consultants confirmed such positive influence. These managers and consultants were all participants in the organizational change process and declared that they had experienced higher levels of ownership and satisfaction themselves. One of the consultants explained this as follows: ‘the more effort I had put in improving CRM, the better it felt when it turned out being somewhat more successful. First I felt more ownership, later I felt more satisfaction. It took me some time to experience satisfaction because CRM was not an instant success’.

^{xviii} For now, partial mediation of the current mediating model is supported. In the final section of this chapter more mediating variables will be entered into an integrated regression model, which will reveal further insights on mediation.

Table v: Pearson's correlations of intrapersonal attitudes

	Pearson's Correlations		
Variables	CRM effectiveness	Ownership	Satisfaction
Employee participation	.25**	.13**	.17**
CRM effectiveness	-	.50**	.56**
Ownership	-	-	.46**
Satisfaction	-	-	-

Note: ** $p < .01$ (two-sided); $n=732$.

Table vi: individual regression of intrapersonal attitudes on CRM effectiveness

Individual regression	Model 1		Model 2		Model 3		Model 4		Model 5	
Variables	β	Sig.	β	Sig.	β	Sig.	β	Sig.	β	Sig.
Ownership	-	-	.48	.00	-	-	.32	.00	.31	.00
Satisfaction	-	-	-	-	.46	.00	.35	.00	.34	.00
Employee participation	.17	.00	.13	.00	.09	.00	-	-	.07	.00
R ²	.06		.29		.33		.40		.41	
ΔR^2	-		-		-		.34		.01	
Sobel's Z	-		3.53**		4.12**		-		4.35**	

Note: ** $p < .01$ (two-sided); β standardized regression slope coefficient; R^2 model fit; ΔR^2 step by step model fit increase (increase indicates improved model fit); $n=732$.

Table vii: multilevel regression of intrapersonal attitudes on CRM effectiveness

Multilevel regression	Model 1		Model 2		Model 3		Model 4		Model 5	
Variables	β	Sig.	β	Sig.	β	Sig.	β	Sig.	β	Sig.
Ownership	-	-	.31	.00	-	-	.28	.00	.22	.00
Satisfaction	-	-	-	-	.32	.00	.33	.00	.29	.00
Employee participation	.28	.00	.19	.00	.20	.00	-	-	.15	.00
X^2	1485		1392		1150		1162		1132	
ΔX^2	-		-		-		-323		-30	

Note: ** $p < .01$ (two-sided); β standardized regression slope coefficient; X^2 multilevel model fit corrected for organizational influences; ΔX^2 step by step model fit increase corrected for organizational influences (decrease indicates improved model fit); $n=732$.

4.3 RESULTS ON INTERPERSONAL RELATIONS

In the second chapter of this dissertation, it was hypothesized that employee participation was positively related to both interpersonal relations constructs being trusted & trusting others and that those characteristics were positively related to CRM effectiveness of customer relationship management organizational change. In this section the results regarding those being trusted and trusting others variables will be revealed.

Results on employee participation, being trusted & trusting others, CRM effectiveness

Table iv shows average scores close to the scale middle. Being trusted shows an average almost on the scale middle of 3.06 and trusting others shows an average of 3.17 just above the scale middle. Consequently, on average the individual employees indicated that they were not completely trusted by their colleagues and also not fully distrusted by them on implementing the customer relationship management organizational change. They trusted the others on average more than they felt like being trusted. The standard deviations show almost similar values of .84 and .86.

In Table viii the Pearson's correlations can be found. Correlations are significant on the $p < .01$ level, at two-sided tests. These correlations support the first four hypotheses regarding interpersonal trust relations, numbered 7 through 10:

- ✓ Employee participation is positively related to being trusted.
- ✓ Employee participation is positively related to trusting others.
- ✓ Being trusted is positively related to CRM effectiveness.
- ✓ Trusting others is positively related to CRM effectiveness.

In order to find support for the final hypotheses of this section, numbered 11 and 12, first mediation needs to be tested. Baron & Kenny (1986) introduced three conditions that need to be fulfilled before mediation can be accepted, while Holmbeck (2002) and Preacher & Hayes (2004) made those conditions more precise. Their conditions can be found in the previous section.

Table ix lists several regression models in subsequent columns. These models show a step by step improvement (delta R^2) of the model fit (R^2) from left to right. In each step, variables are added to the regression model. The left column indicates, that employee participation alone only explains 6 per cent of the change in CRM effectiveness (Model 1).

When the variable being trusted is added to the regression model, then the explanatory value increases to 29 per cent (Model 2). Instead, when the variable trusting others is added to the regression model, then the explanatory value of the model becomes 30 per cent (Model 3). In those models numbered 1 through 3, the regression slope (β) of employee participation shrinks from .17 to .13. As this slope remains significant, condition d is not met and no support is found for full mediation. To test condition e, a Sobel test was performed on the decreasing regression slopes and their corresponding significance levels. Condition e is met because the Sobel scores of 6.19 (Model 2) and 2.88 (Model 3) show significant ($p < .01$) support for partial mediation. Furthermore, when both being trusted and trusting others are included simultaneously without employee participation (Model 4), the explanatory value of the regression model increases to 35 per cent. Finally, when employee participation is added (Model 5), the explanatory value increases with only 2 per cent. In the last model, employee participation again shows a relatively small significant contribution to the model: its regression slope value (beta) drops to .09. Meanwhile, being trusted and trusting others show much higher regression slopes of .30 and .31 at a significance level of $p < .01$. The significant Sobel test score of 5.20 ($p < .01$) confirms partial mediation in Model 5.

The foregoing indicated support for mediation of being trusted and trusting others regarding all individual employees regardless the organization for which they work, but did not reckon with possible disturbing side effects from one or more organizations (Jones, 2008). Therefore, all above analyses were repeated using multilevel regression analysis techniques that provide the opportunity to calculate each model fit on the aggregation level of individual employees, while influences on the organizational aggregation level are controlled. The outcomes of these calculations are represented in Table x. Again, the models show a step by step improvement (decreasing delta X^2) of the model fit (X^2) from left to right. Model 1 (X^2 model fit 1485) shows more direct influence from employee participation on CRM effectiveness after correction for organizational influences (.28 instead of .17). The models numbered 2 and 3 show that the indirect influence from employee participation on CRM effectiveness through mediation of being trusted and trusting others decreases. Furthermore, the models numbered 4 and 5 show that the model fit hardly changes upon the addition of employee participation (from 1289 to 1265). Consequently, the results in Table x do not show new insights when compared to the results in Table ix: the same insights are reconfirmed.

Additional Lisrel calculations reveal the model fit statistics for each previously mentioned mediating model. Model 2 representing being trusted as an isolated mediator shows a root means square error of approximation (RMSEA) of .04 ($p < .01$), a goodness of fit index (GFI) of .94 and a comparative fit index (CFI) of .99. Model 3 representing trusting others as an isolated mediator shows an RMSEA of .05 ($p < .01$), a GFI of .93 and a CFI of .98. Next, Model 5 representing being trusted and trusting others as combined mediators shows an RMSEA of .07 ($p < .01$), a GFI .87 of and a CFI of .96.

Thus, support was found for being trusted and trusting others as partial mediators between employee participation and CRM effectiveness and both hypotheses number 11 and 12 were supported:

- ✓ Employee participation is related to CRM effectiveness through the mediating role of being trusted.
- ✓ Employee participation is related to CRM effectiveness through the mediating role of trusting others.

Thus, due to its positive effects on both trust constructs, employee participation adds to CRM effectiveness. Qualitative insights from post-research interviews with most managers and consultants confirmed such positive influence. One manager stated: “I have experienced more and more trust while participating myself. The longer we worked together on the successful implementation of CRM, the more we trusted each other in doing the right tasks well. Afterwards, the whole employee participation process felt like an improved bonding process with each other.” Another manager described a similar process. He said: “within the organizational change team, we all felt that interpersonal trust grew upon us”. Furthermore, five consultants told the researcher that in the CRM organizational change they experienced overly complicated interpersonal (trust) relations between employees, especially in larger change teams with somewhat higher amounts of participants. The more participants in a CRM organizational change, the more difficult they found the management of interpersonal relations among these participants. One of those consultant worded this as follows: “personally I prefer smaller groups of participants, because then it is easier to guide a small group than a large group with many internal relationships between group members”. His insight points at growing complexity from increasing employee participation on both interpersonal relationship constructs being

trusted and trusting others^{xix}. One consultant added: “I think that just modeling a simple link between employee participation and for example being trusted over-simplifies reality”.

Although the foregoing results confirm that employee participation leads to an increase of trusting others in the current study, the previous chapter revealed that Spreitzer & Mishra (1999) reported evidence for such relationship in the opposite direction. They reported that trusting others brought a significant increase in CRM effectiveness through the mediating role of employee participation among 517 employees from 92 business units from 43 automotive firms in the US and Canada. The interview outcomes of the current research did not bring clarity in the sequence in which participation and trust occurred. It might be, that before the CRM organizational change there was already a certain level of trust, which preceded and caused employee participation instead of the other way around. Elias (2009) wrote that it is important that issues pertaining to reverse causality are tested, especially when results do not reveal whether one variable causes another, or vice versa.

To test whether the causal ordering of the variables in the model presented here is correct, the current research model was retested with variables in reverse order. First, Spreitzer & Mishra’s model (trusting others causing CRM effectiveness with employee participation as the mediator) was applied to the current research data. Because correlation and regression analyses cannot test for causality or sequences, the R square value in both the original model and the reverse order model remains 37 per cent, but Sobel’s Z value dropped from 2.88 (original research model, $p < .01$) to 2.65 (reverse order model, $p < .01$). Based on results from the previously described research, the mediation in the model presented in the results

^{xix} Based on Webster’s dictionary, relations imply connections between individuals. Consequently, at minimum two connected individuals are required for one relation. Three connected individuals can form three relations, while n connected individuals can form $((n*(n-1))/2)$ relations, so 30 connected individuals can form 435 relations. Given a growing number of connected individuals, the number of relations grows faster. When the foregoing math would be applied to the current research, the low level of employee participation has probably contributed to a not very high number of relations. Logically, a growing number of participants would have accelerated the number of connections between employees. Thus, a larger number of participants would logically have caused much more complexity in interpersonal relations and possibly have become so complicated that managing all those relations would have become more difficult for the managers and consultants. It would be interesting to compare the current research results with comparable situations in which much more connections among much more participants occur. Possibly, an overly complicated amount of connections and interpersonal relations might even cause poor coordination and ultimately jeopardize CRM organizational change success. Of course that possibility remains purely speculative, but might inspire future research.

section of this chapter can be considered superior to the mediation in the alternative reverse order model, although slightly.

Because there were two dimensions of trust in the current research, also the other dimension was tested in reverse order using the following model: being trusted causes CRM effectiveness with employee participation as the mediator. Here, Sobel's Z value dropped from 6.19 (original research model, $p < .01$) to 3.41 (reverse order model, $p < .01$). Consequently, both alternative reverse order models offered poorer mediation in comparison to the original research models. However, all foregoing models revealed significant mediation effects, thus these additional statistical tests added the insight that employee participation and trust in interpersonal relations strengthen each other.

Table viii: Pearson’s correlations of interpersonal relations

	Pearson’s Correlations		
Variables	CRM effectiveness	Being trusted	Trusting others
Employee participation	.25**	.24**	.11**
CRM effectiveness	-	.52**	.51**
Being trusted	-	-	.51**
Trusting others	-	-	-

Note: ** p < .01 (two-sided); n=732.

Table ix: individual regression of interpersonal relations on CRM effectiveness

Individual regression	Model 1		Model 2		Model 3		Model 4		Model 5	
Variables	β	Sig.	β	Sig.	β	Sig.	β	Sig.	β	Sig.
Being trusted	-	-	.46	.00	-	-	.33	.00	.30	.00
Trusting others	-	-	-	-	.45	.00	.30	.00	.31	.00
Employee participation	.17	.00	.09	.00	.13	.00	-	-	.09	.00
R ²	.06		.29		.30		.35		.37	
ΔR^2	-		-		-		.29		.02	
Sobel's Z	-		6.19**		2.88**		-		5.20**	

Note: ** $p < .01$ (two-sided); β standardized regression slope coefficient; R^2 model fit; ΔR^2 step by step model fit increase (increase indicates improved model fit); $n=732$.

Table x: multilevel regression of interpersonal relations on CRM effectiveness

Multilevel regression	Model 1		Model 2		Model 3		Model 4		Model 5	
Variables	β	Sig.	β	Sig.	β	Sig.	β	Sig.	β	Sig.
Being trusted	-	-	.31	.00	-	-	.24	.00	.20	.00
Trusting others	-	-	-	-	.40	.00	.38	.00	.35	.00
Employee participation	.28	.00	.17	.00	.16	.00	-	-	.12	.00
X^2	1485		1372		1302		1289		1265	
ΔX^2	-		-		-		-196		-24	

Note: β standardized regression slope coefficient; X^2 multilevel model fit corrected for organizational influences; ΔX^2 step by step model fit increase corrected for organizational influences (decrease indicates improved model fit); n=732.

4.4 RESULTS ON JOB PRESSURES

In the second chapter of this dissertation, it was hypothesized that employee participation was positively related to the job pressures and that those job pressures were negatively related to CRM effectiveness of customer relationship management organizational change. These job pressures were theorized to consist out of three constructs (workload, stress and conflict) and were expected to jeopardize CRM effectiveness. In this section the results regarding those workload, stress and conflict variables will be revealed.

Results on employee participation, workload & conflict & stress, CRM effectiveness

Table iv lists the descriptive statistics of workload, conflict and stress on employee participation and CRM effectiveness. Workload shows an average score just above the scale middle of 3.28, while conflict and stress show scores below the scale middle at 2.62 respectively 2.27. The standard deviations range from .82 for conflict to .95 for workload. These scores indicated that the workload regarding organizational change was on average considered slightly above neutral, while stress and conflict scored on average considered slightly lower than average.

In Table xi the Pearson's correlations can be found for all variables. All correlations are significant on the $p < 0.05$ level, at two-sided tests. In contrary to the expectations, employee participation correlated negatively instead of positively with workload. This was not expected from the theoretical views as described in the second chapter. These correlations showed no support for the first hypothesis. Based on those results, hypothesis numbered 13 was not supported and both following hypotheses numbered 14 and 15, were supported:

- X Employee participation is positively related to workload.
- ✓ Employee participation is negatively related to stress.
- ✓ Employee participation is negatively related to conflict.

CRM effectiveness correlated negatively with all other three variables workload, conflict and stress, which was expected. Therefore, hypotheses numbered 16 through 18, were supported:

- ✓ Workload is negatively related to CRM effectiveness.
- ✓ Stress is negatively related to CRM effectiveness.

✓ Conflict is negatively related to CRM effectiveness.

In order to find support for the final hypotheses of this section, numbered 19, 20 and 21, first mediation needs to be tested. Again, the conditions from Baron & Kenny (1986), Holmbeck (2002) and Preacher & Hayes (2004) mentioned in the previous section should be met before accepting mediation.

The regression models in Table xii show a step by step improvement (increasing delta R^2 of the model fit (R^2) from left to right. In each step, variables are added to the regression model. In the previous section it was reported that employee participation alone explained only 6 per cent of the change in CRM effectiveness (Table vii, Model 1). When stress is added to the regression model, then the explanatory value increases to 9 per cent (Model 1). Instead, when conflict is introduced in the research model, then the model fit increases to 15 per cent (Model 2). Instead, when workload is introduced, the model fit further increases to 16 per cent (Model 3). In these models numbered 1 through 3, the regression slopes of employee participation on CRM effectiveness do not differ much (.16, .14 and .16). As the contribution of employee participation in these three models still remains significant, no support is found for full mediation. However, the significant Sobel score of 1.97 (Model 1, $p < .05$) and 4.16 (Model 2, $p < .01$) show substantial support for partial mediation regarding conflict and stress as single mediators. However, Sobel's Z value of 1.59 in Model 3 indicated that workload as a single mediator was not supported ($p > .10$). Furthermore, Table xii shows that when all three supposed mediators workload, conflict and stress are combined simultaneously without employee participation (Model 4), the explanatory value of the regression model increases to 17 per cent. Finally, when employee participation is added (Model 5), the explanatory value rises with 4 per cent up to 21 per cent. In the last model, employee participation still shows a significant contribution to the model, while its regression slope value (beta) drops to .13. Meanwhile, workload and conflict obviously show much higher regression slopes of -.20 and -.21 at a significance level of $p < .01$, while the contribution of stress is not significant anymore. In this model 5, Sobel's Z is 3.68 ($p < .01$), indicating support for partial mediation. Because the added value of stress in Model 5 raises some questions above, alternatively the same calculations are repeated without stress. This leads to an explanatory value of 21 per cent, together with a regression slope for employee participation of again .13. Sobel's Z value is also similar (3.64, $p < .00$). Therefore, it seems that although stress plays a mediating role when viewed alone, in the overall model there is hardly any mediation left from stress. The foregoing first model raises questions about stress. Stress (only when studied together with workload and conflict) showed unconvincing results as a mediator, while stress as a single mediator (apart from workload and conflict) seems acceptable. More tests were applied to bring more clarity.

Additional Lisrel calculations revealed the model fit statistics. Model 1 representing being stress as an isolated mediator shows a root means square error of approximation (RMSEA) of .07 ($p < .05$), a goodness of fit index (GFI) of .91 and a comparative fit index (CFI) of .96.

Model 2 representing conflict as an isolated mediator shows an RMSEA of .08 ($p < .05$), a GFI of .88 and a CFI of .96. Model 3 representing workload as an isolated mediator shows an RMSEA of .06 ($p < .05$), a GFI of .93 and a CFI of .97. Finally, Model 5 representing stress, conflict and workload as combined mediators shows an RMSEA of .08 ($p < .05$), a GFI .82 of and a CFI of .94.

Multilevel regression analyses were performed to correct for organizational influences. The results of the multilevel regression analyses are presented in Table xiii. Again, the models show a step by step improvement (decreasing delta X^2) of the model fit (X^2) from left to right. The models numbered 1 through 5 show that the influence from employee participation on CRM effectiveness through mediation of workload, stress and conflict decreases. Consequently, the results in Table xiii do not bring new insights when compared to the results in Table xii. Both individual and multilevel regression analyses reveal similar outcomes.

Based on the foregoing, the relationship between employee participation and CRM effectiveness was found to be partially mediated by conflict. Next, workload as a mediator was not found. but when workload was combined with conflict, then support was found for a combined model with both mediators. Furthermore, the mediating role of stress diminishes strongly upon the addition of (workload and) conflict. Consequently, stress hardly plays a mediating role anymore when combined with workload and conflict. The influence of stress is cannibalized by both other mediators. For all foregoing reasons, mediation of workload and stress was not found. In the light of these side remarks, hypotheses number 19 and 20 were not supported and 21 was supported.

- X Employee participation is related to CRM effectiveness through the mediating role of workload.
- X Employee participation is related to CRM effectiveness through the mediating role of stress.
- ✓ Employee participation is related to CRM effectiveness through the mediating role of conflict.

Results indicate that conflict is a partial mediator between employee participation and CRM effectiveness in the current research. Thus, via its conflict reducing effect, employee participation adds positively to CRM effectiveness. The post-research interviews with managers and consultants confirmed the above conclusion regarding the mediating role of conflict.

Another result of the current research was the negative relationship between employee participation and workload, while a positive relationship was hypothesized. Three of the interviewed consultants indicated that they knew from experience that workload would

usually increase dramatically whenever (employee) participation would be present. Therefore, they had deliberately advised to take all existing workload out of the hands of the participants and to redistribute the tasks over the non-participants. The majority of these managers indicated that they had expected employee participation to increase the workload level and that consultants had advised them to release the participants from heavy workload. Consequently, they had deliberately intervened in the change process. As a consequence, the participants in the current research were often released from regular tasks which made them less busy than expected. Those tasks were divided over the non-participants. Several managers stated that the main advantages of their change intervention were, that the workload among participants had not increased and consequently CRM effectiveness had not been jeopardized by such increased workload. The foregoing logically explains the significant ($p < .05$ one-sided and $p < .10$ two-sided) negative correlation between employee participation and workload in the current study^{xx}.

^{xx} Moreover, some scholars theorized that job pressures do not always lead to negative consequences. Newton & Jimmieson (2006) argued that especially job pressures of the challenge type –like workload– can push in different directions (Newton & Jimmieson, 2006). When job pressures challenge individual employees to put more effort into a certain task, they are motivated into a positive mode aimed at contributions to the organization's values. In contrary, when job pressures drain energy from individual employees, these pressures result in negative atmospheres aimed at no contributions to an organization's values (Newton & Jimmieson, 2006). Furthermore, House & Mitchell (1974) theorized that a small amount of job pressures caused by participation would be motivational. Following these views, at a low participative level the corresponding job pressures may also stay on a low level, leaving room for higher CRM effectiveness. Meanwhile, at a high participative level the corresponding job pressures may become a burden and form a serious threat to CRM effectiveness. Their alternative view was tested using the current dataset. Alternatively to the statistical analyses that were performed before, all respondents were redistributed over two groups. The first group contained those respondents showing the lowest amounts of participation ($1 \leq i \leq 3$ on the scale of 1 through 5) being called low participants (80 per cent; $n=588$). The second group contained respondents showing the highest amounts of participation ($3 < i \leq 5$ on the scale of 1 through 5) being called high participants (20 per cent; $n=144$). All correlation and regression analyses were repeated per group. In the high participants group, all of the previously described outcomes stay significant with no deviations from the previously stated conclusions. Meanwhile in the low participants group, some inconsistent and some insignificant results are found. The foregoing can be considered logical based on the fact that these participants did hardly participate. However, among the low participants, workload is positively related to employee participation. Employee participation explains 2 per cent of the change in workload with a corresponding beta slope of .33 ($p < .01$), which is opposite to the negative relation found in the entire dataset and the high participants group, indicating an inverse u-shaped –also called an n-shaped– relationship between employee participation and workload, instead of a linear relationship. This non-linear relationship can be explained by the fact that high participants were deliberately freed from their

Such intervention was not performed regarding the other job pressures –stress and conflict–, although the previously reported correlation between these job pressures and CRM effectiveness indicates that these may jeopardize CRM effectiveness as well. The results of the current research clearly indicate that job pressures relate negatively to CRM effectiveness. Any increase in job pressures may jeopardize CRM organizational change success. Consequently, redistributing non-CRM related tasks from participants over non-participants by the managers is obviously directed towards more CRM effectiveness. Furthermore, these managers were protecting their workers from negative consequences of job pressures.

existing workload and tasks were redistributed over low and non-participants. The other job pressure variables did not show non-linear relationships. The foregoing split dataset approach is illustrative because it contains a methodological weakness: one could always argue about the cut-off point in such analyses.

Table xi: Pearson's correlations of job pressures

Variables	Pearson's Correlations			
	CRM effectiveness	Workload	Conflict	Stress
Employee participation	.25**	-.06~	-.17**	-.08*
CRM effectiveness	-	-.32**	-.33**	-.19**
Workload	-	-	.26**	.24**
Conflict	-	-	-	.32**
Stress	-	-	-	-

Note: ** $p < .01$; * $p < .05$; ~ $p < .10$ (two-sided); $n=732$.

Table xii: individual regression of job pressures on CRM effectiveness

Individual regression	Model 1		Model 2		Model 3		Model 4		Model 5	
Variables	β	Sig.	β	Sig.	β	Sig.	β	Sig.	β	Sig.
Workload	-	-	-	-	-.26	.00	-.20	.00	-.20	.00
Conflict	-	-	-.29	.00	-	-	-.24	.00	-.21	.00
Stress	-.17	.00	-	-	-	-	-.05	.19	-.04	.23
Employee participation	.16	.00	.14	.00	.16	.00	-	-	.13	.00
R^2	.09		.15		.16		.17		.21	
ΔR^2	-		-		-		.11		.04	
Sobel's Z	1.97*		4,16**		1.59		-		3.68**	

Note: ** $p < .01$; * $p < .05$ (two-sided); β standardized regression slope coefficient; R^2 model fit; ΔR^2 step by step model fit increase (increase indicates improved model fit); $n=732$.

Table xiii: multilevel regression of job pressures on CRM effectiveness

Multilevel regression	Model 1		Model 2		Model 3		Model 4		Model 5	
Variables	β	Sig.	β	Sig.	β	Sig.	β	Sig.	β	Sig.
Workload	-	-	-	-	-.14	.00	-.13	.00	-.10	.00
Conflict	-	-	-.22	.00	-	-	-.24	.00	-.19	.00
Stress	-.08	.01	-	-	-	-	-.00	.91	.01	.84
Employee participation	.27	.00	.24	.00	.25	.00	-	-	.23	.00
X^2	1462		1413		1442		1495		1410	
ΔX^2	-		-		-		10		-85	

Note: β standardized regression slope coefficient; X^2 multilevel model fit corrected for organizational influences; ΔX^2 step by step model fit increase corrected for organizational influences (decrease indicates improved model fit); n=732.

4.5 RESULTS ON JOB CONTENTS

In the second chapter of this dissertation, it was hypothesized that employee participation was positively related to the local fit of the job contents and that the local fit of the job contents was positively related to CRM effectiveness of customer relationship management organizational change. In this section the results regarding the local fit variable will be revealed. This local fit variable indicates the fit between (an) individual employees' job contents and the overall CRM organizational change.

Results on employee participation, local fit, CRM effectiveness

In Table iv, local fit showed an average score slightly above the scale middle of 3.15 and a standard deviation of .93. This indicated that the local fit of customer relationship management was on average considered slightly above neutral by the individual employees. When compared to the CRM effectiveness average of 2.96, then it seems as if the employees rated the local fit of the change outcomes of their own jobs higher than the CRM effectiveness of the change outcomes for the organization as a whole.

In Table xiv Pearson's correlations regarding the foregoing variables can be found. All correlations between employee participation, CRM effectiveness and local fit are significant on the $p < 0.01$ level, at two-sided tests. Both employee participation and CRM effectiveness correlate significantly with local fit. These significant correlations show support for two hypotheses, numbered 22 and 23:

- ✓ Employee participation is positively related to local fit.
- ✓ Local fit is positively related to CRM effectiveness.

In order to test the final hypothesis of this chapter, numbered 24, first mediation needs to be tested. Again, all conditions from Baron & Kenny (1986), Holmbeck (2002) and Preacher & Hayes (2004) should be met before mediation is accepted.

Table xv lists several regression models regarding individuals in subsequent columns. These models show a step by step improvement (increasing delta R^2) of the model fit (R^2) from left to right. In each step, variables are added to the regression model. The left column shows, that employee participation alone only explains 6 per cent of the change in CRM effectiveness (Model 1). When only the effect of local fit on CRM effectiveness is calculated in a regression model, then the explanatory value jumps to 29 per cent (Model 2). Furthermore, when employee participation is added, the explanatory value rises to 32 per cent (Model 3). In the last model, employee participation again shows a significant

contribution to the model, indicating no full mediation. Its regression slope value (beta) drops from .17 to .13. Meanwhile, local fit shows much higher regression slopes of .45 to .44 ($p < .01$). The Sobel test Z value (3.04) supports partial mediation ($p < .01$).

Table xvi represents the multilevel regression results regarding individual employees after correction for organizational influences. Again, the models show a step by step improvement (decreasing delta X^2) of the model fit (X^2) from left to right. Model 1 shows more direct influence from employee participation on CRM effectiveness after correction for organizational influences (.28 instead of .17). The models numbered 2 and 3 show that the indirect influence from employee participation on CRM effectiveness through mediation of local fit decreases. Consequently, the results in Table xvi do not bring new insights when compared to the results on the top rows and brings reconfirmation.

Additional Lisrel calculations revealed the mediating model fit statistics. Model 3 representing local fit as an isolated mediator shows a root means square error of approximation (RMSEA) of .05 ($p < .01$), a goodness of fit index (GFI) of .94 and a comparative fit index (CFI) of .99, all indicating an acceptable research model fit.

Based on the foregoing, local fit can be considered a partial mediator between employee participation and CRM. Therefore, the final hypothesis of this dissertation, numbered 24, was supported:

- ✓ Employee participation is positively related to CRM effectiveness through the mediating role of local fit.

Thus, due to its positive effect on the local fit between individual employees' job contents with the CRM organizational change, employee participation adds to CRM effectiveness.

Based on the theoretical suggestion from Caldwell (2003) which was described in the theoretical chapter, individuals may simply leave organizations when they do not fit in an organizational change. All individuals who cooperated in the current research did not leave (yet). Still, Caldwell's view could be applicable if individuals showing low local fit would not have left yet at the moment of data gathering but would be leaving soon after that moment. In such view, those employees with low fit would at least consider leaving an organization, while those with high fit stay. Based on the foregoing, propensity to leave was addressed in the post-research interviews with the managers and consultants in the organizations under study. Most of them confirmed that indeed one to five per cent of the employees decided to leave during and after the CRM organizational change, although it may be difficult to differentiate between employees who would have left anyway and those who left because of the CRM implementation. No forced lay-offs were performed in the organizations under study. As a consequence of these voluntarily leaves, some of those employees were not present anymore at the moment of measuring and they did also not contribute to the organizational change outcomes. However, most of the employees were

still present at work. Some of them scored low on local fit and might consider leaving, which one of the managers called a natural selection process. He said: “Those employees who feel comfortable with the CRM change programs are welcome to stay, but those who do not believe in it may not be the ones we want to keep for establishing improved customer relationships.” Employees leaving and joining is a natural process which cannot be controlled in a empirical setting, although this needs to be mentioned in the light of the foregoing.

Table xiv: Pearson’s correlations of job contents

	Pearson’s Correlations	
Variables	CRM effectiveness	Local fit
Employee participation	.25**	.11**
CRM effectiveness	-	.53**
Local fit	-	-

Note: ** p < .01 (two-sided); n=732.

Table xv: individual regression of job contents on CRM effectiveness

Individual regression	Model 1		Model 2		Model 3	
Variables	β	Sig.	β	Sig.	β	Sig.
Local fit	-	-	.45	.00	.44	.00
Employee participation	.17	.00	-	-	.13	.00
R^2	.06		.29		.32	
ΔR^2	-		.23		.03	
Sobel's Z	-		-		3.04**	

Note: ** $p < .01$ (two-sided); β standardized regression slope coefficient; R^2 model fit; ΔR^2 step by step model fit increase (increase indicates improved model fit); $n=732$.

Table xvi: multilevel regression of job contents on CRM effectiveness

Multilevel regression	Model 1		Model 2		Model 3	
Variables	β	Sig.	β	Sig.	β	Sig.
Local fit	-	-	.39	.00	.31	.00
Employee participation	.28	.00	-	-	.18	.00
X ²	1485		1418		1366	
Δ X ²	-		-67		-52	

Note: β standardized regression slope coefficient; X² multilevel model fit corrected for organizational influences; Δ X² step by step model fit increase corrected for organizational influences (decrease indicates improved model fit); n=732.

4.6 RESULTS ON COMBINED CONCEPTS

In this section the main concepts of this chapter are first summarized and then combined into an integrated research model.

The main results of the foregoing sections indicate, that employee participation contributes to a greater CRM effectiveness of organizational change through the (positively) mediating roles of three entities: intrapersonal attitudes, interpersonal relations and job contents. The first entity, intrapersonal attitudes, consists out of the variables ownership and satisfaction. The second entity, interpersonal relations, contains the variables being trusted and trusting others. The last entity, job content, contains local fit. Another supposedly mediating entity, job pressures, plays a different role. Results in the previous sections show that only the conflict variable within job pressures plays a convincing mediating role in the relationship between employee participation and CRM effectiveness.

Results on employee participation, combined mediators, CRM effectiveness

To test the final hypothesis of this dissertation numbered 25, all mediators were combined in the combined research model which was represented in Figure vi. These mediators may be disconfirmed in contrast to the initially supported mediation hypotheses, because these mediators can come differently into view when studied in isolation or when being studied together. Dachler & Wilpert (1978) indicated that participation is a dynamic system with complicated interdependence among many variables. Every variable was theorized to influence the other variables within such dynamic system. Rather than formulating research models around isolated entities like intrapersonal attitudes, interpersonal relations, job pressures and job contents, combining all interacting components into one combined research model can add further insights. This combined research perspective leads to an integrated final research model (Figure vi). Based on this final research model it has been tested to what degree employee participation leads to CRM effectiveness via the combined mediating roles of ownership, satisfaction, being trusted, trusting others, local fit, workload, conflict and stress rather than via a subset of these mediators. All statistical tests being introduced in the previous sections are repeated once again with all variables combined. Results are then compared to the separate results described before.

Pearson's correlation tests were performed on all variables in the integrated research model. Table xvii shows that all variables correlate significantly on at least the $p < 0.05$ level, at two-sided tests. This confirms, that all variables are indeed not independent from each other. Elias (2009) used words of caution for such a situation. He stated that in the situation of many significant correlations, all quantitative data should be tested against lack of multicollinearity and common method variance. Multicollinearity is said to occur when a study's independent variables correlates stronger than .70 with one or more of the other

variables, a criterion that was not met for this research. Furthermore, common method variance may play a role when a large baseline level of correlation (e.g. above .10) among all variables exists and all correlations are statistically significant, which did also not occur according to the correlation scores starting from .06 in Table xvii.

Next, Table xviii lists several regression models in subsequent columns. These models show a step by step improvement (increasing delta R^2) of the model fit (R^2) from left to right. In each step, variables are added to the regression model. The left column indicates, that employee participation alone only explains 6 per cent of the change in CRM effectiveness (Model 1). When all mediating variables are included in the regression model, the model fit rises to 51 per cent (Model 2). Finally, when employee participation is added, the model fit value stays at 51 per cent and does not increase any further (Model 3). With 51 per cent explanatory value, this model combining all variables clearly indicates a better model fit than each partial model in the four previous sections. Furthermore, the overall model fit stays the same, regardless whether employee participation is excluded (Model 2) or included (Model 3). Its regression slope value (beta) drops from .17 (significant) to .03 (insignificant). Consequently, full mediation was supported based on the conditions described before.

Next, multilevel regression analyses were performed while organizational influences were controlled. The multilevel regression outcomes are listed in Table xix. Results reconfirm that workload and stress show insignificant beta slopes in the research model. Consequently, the influences from workload and stress in the research model are negligible. The combination of all other variables has ruled out workload and stress. Here, also ownership and local fit show insignificant beta slopes ($p > .10$), although these slopes (.05 and .04) still contribute some value to the research model. These findings contradict with significant beta slopes from individual regression analysis (there the ownership beta is significant on the $p < .10$ level and the local fit beta is significant on the $p < .05$ level). Both regression analysis techniques (individual and multilevel) indicate that the roles of ownership and local fit shrink heavily upon the addition of the other variables to the combined research model.

Further statistical calculations revealed that the mediation model (Model 3) shows a root means square error of approximation (RMSEA) of .08 ($p < .05$), together with a GFI value of .85 and a CFI value of .91 confirming a reasonable model fit.

Furthermore, it shows that when all mediators are included in the research model, these mediators influence each other and consequently the individual roles of some of these mediators are taken over by other mediators. These multilevel findings must be considered with care, for sample size reasons described by Snijders (2005). If there would have been more than sixteen organizations in the sample, then the power of the multilevel analysis would have been stronger and the results more reliable. Therefore, each multilevel regression analysis result is listed next to an individual regression analysis result (see the

third chapter about the method). When those results were compared to the results that were described in earlier sections, then the general conclusions are the same: employee participation contributes to several mediators, that in turn contribute to CRM effectiveness. The foregoing results supported the view that employee participation contributes to a greater CRM effectiveness of customer relationship management organizational change through the mediating roles of satisfaction, being trusted, trusting others, and conflict. Some of these mediators contribute more than others. Ownership and local fit contribute less upon the addition of others, while they still play a convincing mediating role when viewed independently. The three strongest mediators that were found in the current research are: satisfaction, being trusted and trusting others.

Other supposedly mediating variables were found to come differently into view when studied alone or when studied together with other variables. Workload was hypothesized to positively relate to employee participation and negatively to CRM effectiveness. However, management interventions in the current research were reported earlier to disturb this hypothesized relationship. When workload is tested apart from the other variables, its added value to such isolated research model is negligible. Furthermore, the added value of stress to is hardly present anymore upon the addition of workload and conflict and seems to be cannibalized mainly by conflict. Results show that conflict plays another specific mediating role: due to its conflict reducing effects, employee participation appears to add to CRM effectiveness. As a consequence, from the three job pressures (workload, stress, conflict) only conflict was supported as a mediator between employee participation and CRM effectiveness. Meanwhile workload, stress and conflict were found to be strongly interrelated. Furthermore, workload, stress and conflict were found to relate negatively to employee participation. This indicates cannibalizing effects among workload, stress and conflict. As a consequence of the foregoing, the final hypothesis of this dissertation numbered 25 was not completely supported:

- X Employee participation is related to CRM effectiveness through the mediating role of ownership, satisfaction, being trusted, trusting others, workload, stress, conflict and local fit.

Several of these mediators were supported in the combined research model, although not all of them played a convincing role. Only satisfaction, being trusted, trusting others and conflict were supported by all statistic tests. Table xx lists the total overview of all hypotheses and the outcomes of all statistic tests. Except for the hypotheses numbered and 25, all other hypotheses can be considered fully supported.

Table xvii: Pearson's correlations of all variables

Variables	CRM effectiveness	Ownership	Satisfaction	Being trusted	Trusting others	Workload	Conflict	Stress	Local fit
Employee participation	.25**	.13**	.17**	.24**	.11**	-.06~	-.17**	-.08*	.11**
CRM effectiveness	-	.50**	.56**	.52**	.51**	-.32**	-.33**	-.19**	.53**
Ownership	-	-	.46**	.49**	.56**	-.38**	-.22**	-.23**	.71**
Satisfaction	-	-	-	.45**	.53**	-.30**	-.29**	-.06	.50**
Being trusted	-	-	-	-	.51**	-.35**	-.25**	-.19**	.52**
Trusting others	-	-	-	-	-	-.37**	-.31**	-.14**	.60**
Workload	-	-	-	-	-	-	.26**	.24**	-.43**
Conflict	-	-	-	-	-	-	-	.32**	-.25**
Stress	-	-	-	-	-	-	-	-	-.21**

Note: ** $p < .01$; * $p < .05$; ~ $p < .10$ (two-sided); $n=732$; satisfaction and stress show no significant correlation; no unacceptable lack of multicollinearity nor unacceptable common method variance is found regarding all correlations.

Table xviii: combined individual regression analyses on CRM effectiveness

Individual regression	Model 1		Model 2		Model 3	
Variables	β	Sig.	β	Sig.	β	Sig.
Ownership	-	-	.08	.06	.08	.06
Satisfaction	-	-	.20	.00	.20	.00
Being trusted	-	-	.19	.00	.19	.00
Trusting others	-	-	.21	.00	.20	.00
Workload	-	-	-.02	.47	-.02	.42
Stress	-	-	.02	.54	.02	.58
Conflict	-	-	-.09	.01	-.08	.01
Local fit	-	-	.09	.02	.09	.02
Employee participation	.25	.00	-	-	.03	.15
R²	.06		.51		.51	
ΔR^2	-		.45		.00	
Sobel's Z	-		-		5.88**	

Note: ** $p < .01$ (two-sided); β standardized regression slope coefficient; R^2 model fit; ΔR^2 step by step model fit increase (increase indicates improved model fit); $n=732$.

Table xix: combined multilevel regression analyses on CRM effectiveness

Multilevel regression	Model 1		Model 2		Model 3	
Variables	β	Sig.	β	Sig.	β	Sig.
Ownership	-	-	.06	.13	.05	.25
Satisfaction	-	-	.18	.00	.18	.00
Being trusted	-	-	.18	.00	.16	.00
Trusting others	-	-	.22	.00	.20	.00
Workload	-	-	-.01	.82	-.01	.75
Stress	-	-	-.03	.36	-.03	.40
Conflict	-	-	-.10	.00	-.09	.00
Local fit	-	-	.06	.16	.04	.30
Employee Participation	.28	.00	-	-	.09	.00
X^2	1485		1079		1071	
ΔX^2	-		-406		-8	

Note: β standardized regression slope coefficient; X^2 multilevel model fit corrected for organizational influences; ΔX^2 step by step model fit increase corrected for organizational influences (decrease indicates improved model fit); n=732.

Table xx: confirmed hypotheses overview

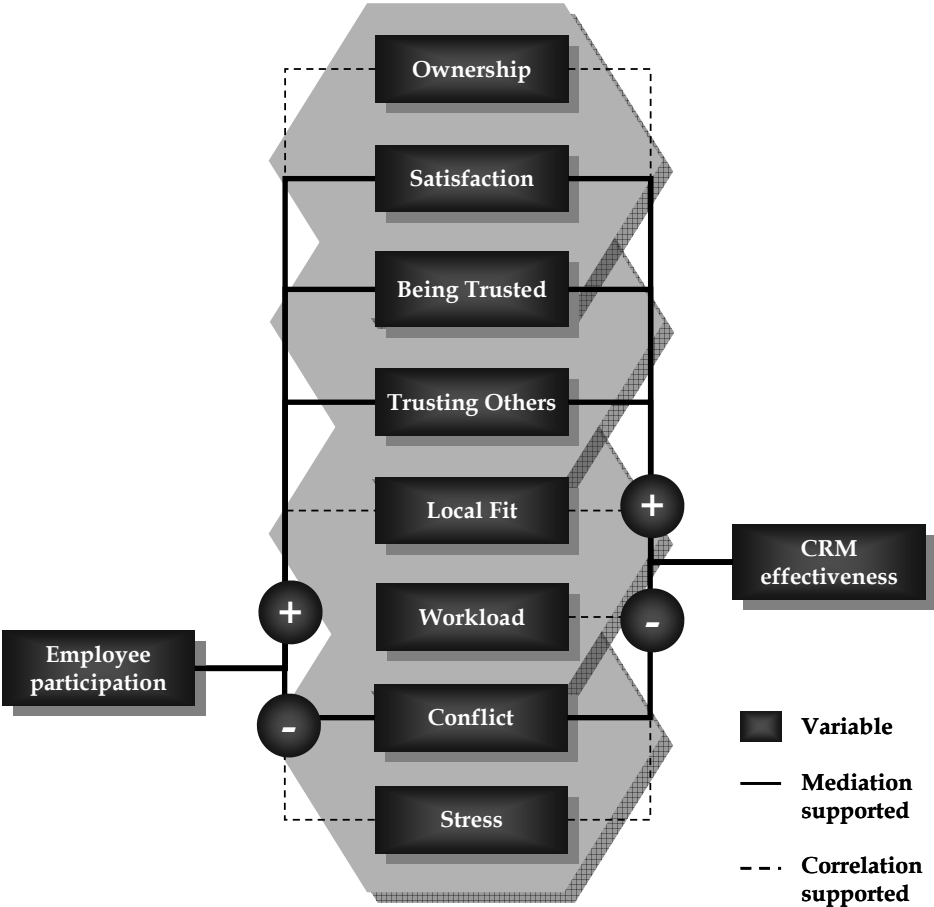
Overview of confirmed hypotheses	Partial individual regression model	Partial multilevel regression model	Combined individual regression model	Combined multilevel regression model
H1: Employee participation is positively related to Ownership	✓	✓	✓	✓
H2: Employee participation is positively related to Satisfaction	✓	✓	✓	✓
H3: Ownership is positively related to CRM effectiveness	✓	✓	✓	✓
H4: Satisfaction is positively related to CRM effectiveness	✓	✓	✓	✓
H5: Employee participation is positively related to CRM effectiveness through the mediating role of Ownership (only in two models supported at $p < .01$; a cannibalization effect occurred upon the addition of other mediators)	✓	✓	X	X
H6: Employee participation is positively related to CRM effectiveness through the mediating role of Satisfaction	✓	✓	✓	✓
H7: Employee participation is positively related to Being trusted	✓	✓	✓	✓
H8: Employee participation is positively related to Trusting others	✓	✓	✓	✓

H9: Being trusted is positively related to CRM effectiveness	✓	✓	✓	✓
H10: Trusting others is positively related to CRM effectiveness	✓	✓	✓	✓
H11: Employee participation is positively related to CRM effectiveness through the mediating role of Being trusted	✓	✓	✓	✓
H12: Employee participation is positively related to CRM effectiveness through the mediating role of Trusting others	✓	✓	✓	✓
H13: Employee participation is positively related to Workload (not supported at p<.05 as a logical result of the management intervention: workload was intentionally redistributed from participants to non-participants)	X	X	X	X
H14: Employee participation is negatively related to Stress	✓	✓	✓	✓
H15: Employee participation is negatively related to Conflict	✓	✓	✓	✓
H16: Workload is negatively related to CRM effectiveness	✓	✓	✓	✓
H17: Stress is negatively related to CRM effectiveness	✓	✓	✓	✓
H18: Conflict is negatively related to CRM effectiveness	✓	✓	✓	✓

H19: Employee participation is related to CRM effectiveness through the mediating role of Workload (not supported at $p < .05$ as a result of the specific management intervention)	X	X	X	X
H20: Employee participation is related to CRM effectiveness through the mediating role of Stress (only in two models supported at $p < .05$; cannibalized mediation effect upon the addition of other mediators)	✓	✓	X	X
H21: Employee participation is related to CRM effectiveness through the mediating role of Conflict	✓	✓	✓	✓
H22: Employee participation is positively related to Local fit	✓	✓	✓	✓
H23: Local fit is positively related to CRM effectiveness	✓	✓	✓	✓
H24: Employee participation is positively related to CRM effectiveness through the mediating role of Local fit (in only one model not supported at $p < .05$; a cannibalization effect occurred upon the addition of other mediators)	✓	✓	✓	X
H25: Employee participation is positively related to CRM effectiveness through the mediating roles of all foregoing mediators (several mediators were reconfirmed in the combined model, but not all)	-	-	X	X

Note: hypotheses listed in the left column were tested in this chapter using four different methods and their corresponding outcomes are symbolized by a positive checkmark or a negative cross in the subsequent columns.

Figure vii: overview of research results on the relationship between employee participation and CRM effectiveness via several mediators



5 DISCUSSION

In this chapter the discussion regarding the current research will be described. First the central research question will be answered in the light of the results, followed by a discussion on the theoretical and practical implications. After that, the discussion on the research limitations and several recommendations for future research will be presented.

5.1 DISCUSSION ON COMBINED RESULTS

The central objective of this dissertation is to add insights to the academic literature and to the professional practitioners' knowledge regarding the role of employee participation and several mediating entities –intrapersonal attitudes, interpersonal relations, job pressures and job contents– in the customer relationship management (CRM) type of organizational change in Dutch financial organizations.

To achieve the research objective as outlined above, the central research question is: in which way does employee participation and its supposedly mediating entities –intrapersonal attitudes, interpersonal relations, job pressures and job contents– influence the effectiveness of the customer relationship management (CRM) type of organizational change in Dutch financial organizations? This research question will be answered in the upcoming sections of this chapter.

Confirmed model vii: employee participation, mediators, CRM effectiveness

The results from the current research have provided several answers to the foregoing question. It has been found that employee participation was related to CRM organizational change effectiveness via the mediating roles of most of the foregoing mediating entities. These mediating entities consist out of several mediators. The current research adds to existing academic literature that all these mediators were combined. Figure vii –which can be found on the previous page– represents the combined research model with an overview of all supported relationships.

Discussion on employee participation

The current research results points at an overall positive influence of individual employees participating in organizational change of the customer relationship management type

among 732 employees working in sixteen financial organizations in the Netherlands. The relationship between employee participation and CRM effectiveness is mainly indirect and occurs via several mediators, which will be described in the next section.

In the current research, the average amount of employee participation was relatively low in all CRM organizational changes under study. This indicates that the majority of the employees did not actively participate in the CRM organizational change. Such low average amount was not unexpected. Throughout literature, several explanations were described, based on the expectancy view, the control view, the philosophical view and the psychological view:

- ▶ Heller (1998) described the expectancy view on low participation. In such view, participation success or failure is often measured against expectations. Academics as well as practitioners set idealistic expectations regarding corresponding high levels of participation. The real world does not reflect such idealism. In reality, generations of owners and managers in organizations were brought up to regard autocracy with hardly any democratic employee involvement as the only appropriate way to keep control over their organizations (Heller, 1998). As a consequence, low levels of (employee) participation can be expected in the real world instead of high levels.
- ▶ Spreitzer & Mishra (1999) added their control view on low participation and wrote that the fundamental problem with participation is how owners and managers can give up control through the involvement of employees in decision making without losing control. Most of those owners and managers would fear losing control over the organization as soon as they would grant individual employees high amounts of participation. Therefore, high participation levels in an organization are uncommon.
- ▶ Kaler (1999) described a philosophical view on low participation. He stated that participation strives for equality among everyone in an organization. This implies, that management and employees make joint decisions and that everyone provides the others with their knowledge and skills. In such view, there has to be a natural limit to the amount of participation in an organization. Participation cannot amount to total possession, total control and total profits to the employees, because then nothing will be left for the previous owners. In such situation equality would be disturbed. Arguably, the exact average level of employee participation should not exceed the average amount of decisions in an organization (Kaler, 1999).
- ▶ From a psychological view on low participation, Cooper (2002) wrote that usually organizations consist out of different employees, with different needs, different goals and different perspectives. It is almost impossible to find an organization in

which every employee is enthusiastic about organizational change. Usually not all employees like participation, nor organizational change. Caldwell (2003) wrote that the first issue for individuals is: would he or she be willing to participate voluntarily. Some personalities like participating and change, while others simply do not (Blake, Mouton & McCanse, 1989; Caldwell, 2003; Kanter, 1983; Miller & Monge, 1986). Certainly not all individuals make similar choices under similar circumstances, which can explain why some participate in organizational change while many others do not (Cooper, 2002; Kanter, 1983; Miller & Monge, 1986). When employees are appointed to participate against their will, they may even resist or sabotage the change. Some motivational traits might affect an individual's choice (not) to participate, which Caldwell (2003) called high self-determination and high approach individuals. Some are motivated by a higher need for self control, others are seeking for equality, or show a high need for independence (Cooper, 2002). Some possess more information, more skills, more experience, or more ambition than others. Depending on their skills and intelligence, individuals may be able to handle more or less job pressures before they will sense them as negative influences (Grove, 2004). For example, a skilled worker may be able to handle more workload in a certain time frame than another inexperienced worker. As a consequence, the inexperienced worker may report excessive workload earlier than the skilled worker. Furthermore, internal locus of control refers to a perception of self control over the environment, while external locus of control refers to a perception that events are due to luck and fate (Elias, 2009). In such view, external locus of control provides certain individuals with a view that they cannot control the pressures on them. Thus, individuals who possess incompatible skills and/or external locus of control would logically be the first to report excessive workload, stress and conflict levels. Any individual who perceives too high job pressures will indicate that these job pressures are too much for him or her to handle. Meanwhile, the exact same high job pressures are not perceived too high for another individual with more internal locus of control, or with more skills, or with more intelligence (Elias, 2009). Fok, Hartman, Patti & Razek (1999) found evidence on several personality factors moderating the relationship between participation and resistance in the context of total quality management organizational change among 85 accounting professionals in the US. An employee with a high need for personal growth may be the first to volunteer for participation because that is often reported to bring personal growth (Elias, 2009). Other personality factors may influence an individual's receptiveness to organizational change. Elias (2009) wrote that flexible individuals can be more receptive to organizational change, while inflexible individuals can be more reluctant to change. Stoker & Verweij (2003) stated that different employees have different needs for guidance towards an organizational (change) goal. For example, an employee with a high need for guidance or support may wish to be guided by his or her manager instead of making choices as a participant. In such way, personality factors may influence someone's choice to participate or not (Blake, Mouton & McCanse, 1989). Thus, differences between individual

personality factors could explain why not every employee participated in the CRM organizational change. In the current research, some employees were reported to have volunteered to participate, while many others may not have been interested in participation. Unfortunately no control variables regarding skills, experience levels and personality factors were included in the current research, based on the assumptions stated in the beginning of the methodological chapter.

As a consequence of the relatively low average amount of employee participation in the current research, together with the fact that employee participation correlated significantly with all related variables, also those scores were not expected to be on the high end of their corresponding scales, based on Glew, O'Leary-Kelly, Griffin & Van Fleet (1995, page 397) who literally wrote: 'limited participation has limited effects'. Nevertheless, several effects were found in the current research.

Discussion on all mediators

The following variables were expected to mediate the relationship between employee participation and CRM effectiveness: ownership, satisfaction, being trusted, trusting others, workload, stress, conflict and local fit. All mediating variables showed average scores around the middle of their scales. Some played their expected roles, while the roles of others were less obvious.

The mediation of variables between employee participation and CRM effectiveness were tested by applying regression analysis to the dataset with individual respondents. While testing each potential mediator separately from the other mediators, support was found for ownership, satisfaction, being trusted, trusting others, local fit, conflict and stress as mediators. When tested separately from each other, each of these variables plays a mediating role between employee participation and CRM effectiveness on the individual employees' aggregation level –regardless their organization–. Thus, all variables besides workload play their hypothesized mediating roles. The previously described conclusions were reconfirmed by the results from multilevel regression analysis, which takes differences between organizations into consideration.

The hypothesized positive correlation between employee participation and workload was not supported, while all other variables within the research model correlate significantly with both employee participation and CRM effectiveness. Interview outcomes revealed the reason for this unexpected finding: management had released participating employees from excessive workload and shifted their regular tasks to non-participants. In this way, employees participating in the organizational change were not confronted with workload

from their regular tasks plus their change related tasks, but only with the latter. That intervention probably disturbed the outcomes on the workload variable.

So far, the results supported the hypothesized correlation and mediation effects except for the workload variable. However, when all foregoing variables were integrated into a combined research model, more unexpected findings occurred.

Regression analysis on the individual level showed that the mediating contributions of stress and ownership diminish upon addition of the other mediators. These results point out that there is a so-called cannibalization effect between mediators. It shows, that the contributions of especially stress and ownership shrink heavily when the other mediators are added to the research model: other mediators take over these roles in the combined research model. A possible explanation for this finding is, that theoretically related variables to stress like workload and conflict tend to interact with each other (Grove, 2004; House, 1971; Jackson, 1983). As a consequence, these closely related variables may lead to similar effects. Logically, when conflict would lead to a specific effect, then stress might have a similar influence and lead to the same effect, while in the case when conflict and stress would be combined the total effect of both would not deviate much from the single effect from one of these variables. Such theoretical explanation was supported by the findings in the current study. Employee participation is positively associated with CRM effectiveness via conflict and via stress, but when both conflict and stress are combined then the added value of stress over conflict is small. Something similar goes for commitment when combined with other variables like conflict (Janssen, 2004). He reported a moderating influence from conflict on the relationship between empowerment and commitment. In such view, while empowerment is closely related to employee participation and commitment is closely related to ownership, conflict may influence that relationship as a moderator. With the use of the current research dataset such moderating relationship cannot be confirmed, although the more generic idea of conflict somehow influencing employee participation and ownership seems logical. Thus, ownership and stress do play the expected role when viewed alone, but play a less important role when similar other variables with the same effects are added to the combined research model.

The foregoing combined analyses did not account for influences from specific organizations. Therefore, in the final tests multilevel regression analysis was applied to the combined research model. The latter analysis also reconfirmed the marginal mediating role of stress and ownership upon the addition of the other mediators. Furthermore, this analysis also revealed another mediator with a diminishing role: local fit. The effect of local fit as a mediator was cannibalized by the other mediators when differences between organizations were controlled using multilevel analysis. Thus, the other mediators together have a similar effect on CRM effectiveness which does not improve much further upon the addition of local fit.

Based on the foregoing, it shows that all mediators do not play their mediating roles in isolation from other variables. These mediating variables influence each other. Some of these cannibalize the effects of others. The current research model is obviously too simplistic to show all of the relationships between mediating variables. A much more complicated research model showing all correlations represented by lines between all variables would resemble a plate of spaghetti. Many variables influencing each other make causes and effects difficult to disentangle. Possibly chain reactions may occur in such complicated research model.

Thus, only the mediating roles of being trusted, trusting others, satisfaction and conflict clearly stood all statistical tests. All outcomes point in the same direction: trusting others, being trusted and satisfaction play the most important mediating roles in the research model, followed by conflict. This means, that for reaching CRM effectiveness through employee participation, both trust variables are critical mediators. Furthermore, satisfaction and conflict are also important for reaching CRM effectiveness.

Discussion on CRM effectiveness

The dependent variable of the current research –CRM effectiveness- showed an average level relatively close to the middle of the scale in all organizations, which did not indicate overly successful implementations. Moreover, such average to low level of CRM effectiveness was expected in the light of CRM research reports from four global consultancy firms. These firms did not report many great successes. A field study by IBM Consulting among 372 CRM implementations in 2004 reported that CRM was a full success in 14 per cent of the organizations, while 25 per cent of the organizations that implemented CRM had some success and the remaining 60 per cent were found struggling, indicating failure. Another field study from Gartner in 2003 reported that 55 per cent of all CRM implementations in North America failed (Campbell, 2003). The next field study performed by Ernst & Young in 2001 stated that the biggest challenges in implementing CRM were internal organizational issues (53 per cent of respondents). Furthermore, field research among 62 CRM implementations indicated that the most important indicators for CRM change success were related to the efforts of participating employees^{xxi} (Deloitte Consulting, 2004).

^{xxi} These non-academic field studies have two downsides that need to be mentioned. First, those reports nor the underlying data were made available for public use nor further research. Second, the authors did not use the same definitions for success and failure, which makes interpreting these results difficult.

5.2 RESEARCH IMPLICATIONS

The current research adds insights to two academic research areas and may also be interesting for practitioners in the field. Each of these target audiences will be addressed in the upcoming sections with potentially interesting insights that can be derived from the current research.

Theoretical implications for scholars

The current research extends and links the human resource management (HRM) and the customer relationship management (CRM) academic literature. As a consequence, these extensions and links have implications for scholars in both research areas. Those may differ between the HRM and the CRM research area, therefore both will be addressed separately.

- ▶ In the human resource management research area, the current research contributes to the current understanding of human resource behavior in organizational change. Individual employees participating in the current specific type of organizational change were found to establish many positive effects within their organizations. Not only was the organizational change effectiveness improved by them, they also experienced increased levels of trust, ownership and satisfaction. Furthermore, they established an improved local fit between their own job contents and the organizational change contents. And the employees were able to decrease their levels of workload, stress and conflict. Obviously, the managers helped them to lower workload levels, which influenced the levels of stress and conflict among them. A relatively small number of participants was able to establish the foregoing positive effects. It remains questionable whether a larger number of participants would reach the same effects, but at least the current study adds to the academic understanding of the effects of limited employee participation which can be considered positive for both the individual employee and the organization.
- ▶ In the customer relationship management research area, the current research contributes to the current understanding regarding the effectiveness of CRM organizational change. In the current research, the average CRM effectiveness was relatively close to the average of the scale, although there were certain influences found to contribute to a greater CRM effectiveness. These influences were all closely related to employee participation. In the current research, employee participation referred to being actively involved in the implementation of CRM organizational change. So-called participants were able to make a difference.

These employees were able to make CRM more effective via increased levels of trust, ownership, satisfaction and local fit and via decreased levels of conflict. Logically, the relatively low level of employee participation in the current research could not establish a high level of CRM effectiveness.

A final contribution to both CRM and HRM research areas was the development of specific context related scales that made it possible to link both worlds. These scales can be re-used in follow-up studies combining HRM with CRM. Scholars from both research areas may benefit from these now existing scales in the future.

Practical implications for consultants

Consultants usually encounter many organizations and can be considered excellent ambassadors to spread business insights throughout a wide variety of firms and industries. In particular customer research management (CRM) consultants may use the insights from the current research in their own organizations and in their client organizations. Using the current research insights, they can point out to managers that employee participation can be an useful organizational change instrument. Employee participation has been found to have many advantages, that in turn are an important drivers for successful CRM implementations. Apparently, even a low average level of employee participation can contribute positively to the effectiveness of CRM organizational change. The foregoing insights are interesting for organizations striving towards more successful CRM implementations. In order to improve CRM effectiveness in such way, the message from the current research needs to be delivered to many organizations in the market place.

Consultants can do more than only play an advisory role in what should be improved, they can make a difference. It is recommended to monitor and measure all variables that positively or negatively contribute to CRM effectiveness, like satisfaction, trust, workload and conflict throughout every CRM organizational change. When consultants measure those variables repeatedly on all their CRM projects, then they may obtain information that can be used for steering the organizational change towards more success. For example, when relatively high and/or increasing workload levels are found among certain employees in certain teams or certain departments, this information indicates a possible threat of CRM effectiveness. Consequently, the workload for those employees should be lowered or distributed to employees facing less workload. When consultants gather such data in many different organizations and on multiple CRM organizational changes, then analyses can be performed on differences or similarities between organizations, organizational changes and even industries. Those analyses may reveal further insights in the success factors of CRM organizational change. For raising the CRM organizational success rate to a higher level, actions based on these insights are important. Consultants

can pro-actively confront managers with these insights and point out to them where possible threats and opportunities exist on the path to improved customer relationships.

Practical implications for managers

Many managers are struggling to improve customer relationships. Managers being involved in or considering to implement CRM should, just like consultants, be aware of the findings and insights from the current research. Human resource managers and other managers may use the current research findings to convince their peers and supervisors that employee participation plays a major role in the effectiveness of CRM organizational change. The current research indicates that 51 per cent of the variance in CRM effectiveness is explained by employee participation together with several mediators. The main contribution of the current research to managers is that the influence from employee participation is now captured in a number that can be used to convince others. Such number makes reasoning in any discussion tangible.

Furthermore, managers can promote employee participation among those workers that report to them. Based on the current research findings, managers are recommended to actively involve employees in CRM organizational change processes and provide them with the opportunity to participate. Employees who are provided such opportunity, may not only build increased levels of local fit throughout the organization, they also experience more ownership, satisfaction, being trusted and trusting others that all positively influence CRM effectiveness. Some employees will volunteer to participate because of their own increased influence, control, power and responsibility. Other employees may not volunteer to participate for many possible reasons. Already a relatively small number of participants can make a difference in CRM organizational change effectiveness. Participants are the front-runners guiding an organization into improved customer relationships. While doing so, they are usually busy and may have less time left for their non-change related tasks. The non-participants can be directed by managers to take follower roles and to perform all regular daily tasks during the change process, because business must go on at all times, even during organizational change preparations.

Like consultants, managers are recommended to gather more information using measurements on all variables influencing CRM effectiveness. For example, the variables from the current research that are negatively associated with CRM effectiveness – workload, stress and conflict – may jeopardize CRM success and need to be monitored in order to steer the CRM organizational change towards more success. Managers play an important role in guiding employees in the right direction. Whenever a substantial group of employees are working towards improved customer relations, then the CRM effectiveness can follow.

In order to motivate a substantial group of employees into a desired strategic direction, human resource management (HRM) programs may be necessarily aimed at increasing the employee participation level. These programs should aim at supporting trust among employees, providing room for attitudes of ownership and satisfaction, reducing heavy workload, large amounts of conflict and high stress levels among employees. Managers need to understand that employee participation is not established by a HRM program itself. They must show full support to such a program and give it time and dedication. They themselves should become actively involved in such a program and guide employees towards the desired strategic direction. Stated differently: they should play an active role in employee participation processes themselves. Organizational changes like CRM and HRM programs do not happen overnight. It takes a long time before changes within employees and organizations are established. Change programs require a long-term ongoing process with small incremental improvements.

Practical implications for employees

Findings from the current research show that employees participating in CRM organizational change can make a difference in the local fit of the change contents. While being actively involved in the CRM organizational change, they are able to make small alterations in their own job contents –like for example task contents, work activities, planning, procedures– that by itself contribute directly to the effectiveness of a CRM organizational change. When several employees change the local fit in their own jobs, ultimately the entire organization will become changed.

The current research showed that the foregoing is not all that employees can do towards improved customer relationship management. Whenever employees are provided with the choice to participate or not to participate, it may be wise to choose the first because of the many advantages it brings to themselves and their organization. Being involved in organizational change can positively influence participants' intrapersonal attitudes –ownership and satisfaction– together with their interpersonal relations –being trusted and trusting others–. Furthermore, employees should watch out for too much pressures –like workload, stress and conflict–. These pressures were less among participants and more often found among non-participants in the current research.

Unfortunately, hardly any employee, manager and consultant will ever read the foregoing recommendations, based on the simple fact that dissertations are seldom read by these audiences. For that reason, the author of this dissertation will be participating in two activities to communicate the foregoing practical implications to employees, managers and consultants. First, a separate book will be published especially for managers and consultants by publisher Academic Service. Second, courses will be taught to employees of many different organizations in close cooperation with the Academy for Management. The

underlying rationale is to make employees, managers and consultants understand in which way they can make a difference in improving CRM effectiveness via employee participation and its mediators. The foregoing activities are expected to have more impact among practitioners than any text in this dissertation will ever accomplish.

5.3 RESEARCH LIMITATIONS

As with all studies, this study has a number of limitations. This study has limitations from the self reporting instrument on the individual employee level, limitations from studying perceptions instead of more objective measures and limitations from respondent characteristics. These limitations will be discussed hereafter.

Limitations from the individual instead of the organizational aggregation level

In this dissertation, the focus was on individual employees and the effects of their employee participation in several similar organizational changes. The current research did not aim for findings on the organizational level.

An explicit assumption applied to the current research stated no differences between organizations and organizational changes. However, the ANOVA test proved that there were significant differences in the scores of individual employees from different organizations. Based on that test, the homogeneity assumption regarding similar organizations operating in the same market with the same culture was no longer valid. For that reason, all regression analyses were performed twice. First on the individual level regardless any organizational differences, then multilevel while the differences between organizations were controlled. It appeared that each model fit and all regression slopes differed somewhat between both regression analysis methods, although those differences were not large enough to reject any conclusions. The individual level analyses and the multilevel analyses led to similar findings.

Despite the foregoing, neglecting all differences between organizations in the current research is too far fetched and too simple. These organizations were not identical. All offered financial products, but not exactly the same products to the same customers. These organizations operated in the same Dutch country culture in the same time era, although probably their internal organizational culture differed and might have influenced individual employees working there. Therefore, the addition of variables measuring organizational characteristics –for example: strategic view, efficiency, effectiveness, financial performance, organizational culture, customer orientation and product base–

might have added richer information to the insights in the process of employee participation in CRM organizational change.

Limitations from the subjective instead of more objective measurements

The current research was performed using subjective perceptions from individual employees, together with subjective opinions from managers and consultants in interviews. The use of such perceptions implies that conclusions might be biased by colored views. This dissertation needs to be read with the following limitations in mind that are normally the direct consequences of subjectivity.

Subjective views were captured by a self-report questionnaire in which the employees could score their personal opinions and perceptions. Field (2002) described that such self-report instrument could cause inflated correlations between variables. Several mediators correlate significantly ($p < .05$ or even $p < .01$) with other mediators. For example, local fit correlates strongly with being trusted, trusting others, satisfaction and conflict. These mediators clearly influence each other. Additional regression analyses reveal that being trusted and trusting others have a positive relationship with local fit and vice versa. A discussion on reverse causality is applicable regarding these mediators, similar to the previously described discussion on the reverse causality among the interpersonal relations mediators. Thus, many mediators influence each other and the causal order may often not be one-directional. In the research model from Figure vii, each mediator was linked to one independent variable (employee participation) and one dependent variable (CRM effectiveness), while a dotted line indicated significant correlations between mediators within each underlying mediating entity. That research model showed clearly an oversimplification of reality, based on the fact that not only the mediators within each mediating entity were found to correlate; mediators also correlated with mediators from other mediating entities^{xxii}. Statistical software like Lisrel does not allow models with all

^{xxii} Elias (2007) warned that in cases of many significant correlations, all data should be tested against lack of multicollinearity and common method variance. In the current research no unacceptable lack of multicollinearity nor unacceptable common method variance is found.

variables correlating^{xxiii}. The significant correlations between many variables in the current research may be viewed as a potential weakness but can be explained by the self-reporting instrument and earlier in this dissertation it was reported that these high correlations did not lead to unacceptable lack of multicollinearity nor unacceptable common method variance.

Limitations from the non-repeated measurements

All measurements took place on a single moment. At that particular moment, for example the moods from (groups of) employees might have caused certain biases. Furthermore, findings should be evaluated against the background that several of (the employees of) the organizations implementing CRM were still in the early stages of adoption and, thus, probably still learning. Repeated measurements would have added insights over time on such learning process. For several reasons it was not possible to repeat the questionnaire measurements several times to gather data over time. In the first place, this was impossible because many employees wanted to stay completely anonymous, while others left their organizations during or shortly after organizational change and could not be reached again. Two of them revealed during interviews their intentions to leave, which was mostly based on the fact that they didn't feel comfortable with the more customer oriented new way of working. In the second place, it was impossible to repeat the questionnaires because the management of the organizations did not want their employees to put too much time in filling out questionnaires and conducting interviews. Instead, they wanted their employees to get the work done, leaving no room for further investigations. In the third place, a very complicated and highly time consuming logistics operation would have been required to repeat all questionnaires in all organizations for several times at exactly the same moments in time calculated from the implementation start. Only that would have

^{xxiii} Not only the research model from Figure vii seems to fit the research data, some alternative research models may fit as well. Such an alternative research model could resemble the shape of a spider web, with employee participation and CRM effectiveness connecting to all mediators, while those mediators all connect to each other as well. A speculative alternative research model could even show all variables forming a circular causal chain. In such view, employee participation influences being trusted, which influences trusting others, which influences ownership, which influences satisfaction, which influences local fit, which influences CRM effectiveness, which influences conflict, which influences stress, which influences workload, which influences employee participation. Such causal chain model implies the view that a circular loop might occur repeatedly over time while adding learning effects every time it runs. The foregoing might explain why variables being relatively far from each other in the same chain appear being related to each other: they could have affected each other the previous time the chain has run.

made conclusions over time regarding most or even all employees possible. Thus, no longitudinal data is available in the current research.

Limitations from the specific scope of the current research

Besides the fact that the current research results have added insights in the relationship between employee participation and CRM effectiveness in sixteen financial organizations, the general applicability remains discussable. For example, different types of organizational change –for example purely ICT-based platform migrations that hardly influence organizational members– may be less influenced by employee participation and consequently show different outcomes.

Another related potential weakness of the current research can be found in the fact that the level of employee participation and the CRM effectiveness were both not very high. The foregoing leads to the caution against generalization: the findings of this research may not be applicable to different types of organizational change than CRM or at other organizations than financial institutions in the Netherlands. Therefore, the foregoing results cannot simply be applied to other settings.

5.4 FUTURE RESEARCH

Future research could surely overcome several limitations from the foregoing section and add further insights to the research areas underlying this dissertation. Earlier in this chapter already several follow-up research directions were suggested. Many of those resulted from current findings, logical reasoning, theories and speculation. Hereafter, these suggestions for future research will be summarized and clarified.

Future research on employee participation

The low employee participation level of the current research led to conclusions that are not necessarily applicable to similar situations with higher employee participation levels. The previously reported low participation level raises the question: in retrospective, would the current research have found similar or different results if (many) more employees would have fully participated?

Such question is almost impossible to answer, because of the limited number of high-participative respondents in the current research. A well-known researcher of participation

should know more about high levels of participation. Pusic is from Croatia –the former Yugoslavia– and did extensive research in so-called kolchoz farms. In those farms, the communist principles aimed at maximum participation. Each worker on every kolchoz farm was also a participant in all decisions. Pusic (1998) wrote, that over-participation is likely to reduce the efficiency and effectiveness of such organizations below the economic tolerable limit. He reasoned that when everyone participates in decision making, then many meetings are needed to discuss and confirm decisions. Kanter (1983) added that large amount of meetings cost extensive amounts of time and energy and keep participants away from doing the necessary work. Furthermore, participants will limit their contribution to just satisfying their own interests instead of the organizational interest and assuming that the other work will simply be done by others (Pusic, 1998, page 81). Because everyone is considered equal, there are no career opportunities for outstanding personnel. As a consequence, no one feels motivated to do even a little more than others. The foregoing formed a serious threat to productivity in the kolchoz farms, which may have been a reason for their disappearance. Thus, maximum participation would logically harm organizational success and organizational change effectiveness.

Further research will be necessary to bring more clarity on different levels of employee participation. Organizations or organizational changes with much higher employee participation levels would be interesting to compare to the sixteen organizations that were subject to the current research. Which participation level, or how many participants, are at minimum required to successfully change an entire organization? What would happen to the effectiveness of organizational change if the majority of the individual employees within an organization participated? Could differences between individual participants cause different organizational change outcomes? Can decision makers make the difference between organizational change success and a failure, or do they need workers to get the decisions implemented? Such questions remain to be answered. Future research could shine more light on the impact from high versus low employee participation on (CRM) organizational change. Possibly in high or low employee participation circumstances more or less negative outcomes of participation might be expected, which would be an avenue for further research.

Some scholars described different views on the negative outcomes of participation like workload, conflict and stress. For example Heller (1998) wrote that participation could lead to several increased job pressures with negative consequences. He wrote that people like stability and have a natural tendency to oppose any force that attempts to change what biologists call homeostasis. Heller (1998) expected participants in an organizational change to be faced with increased job pressure levels. Whether employee participation would cause more or less conflict, may at least partly be explained by different definitions of

conflict. Some describe conflict in terms of relatively small disagreements or discussions, while others equal conflict to relatively large collisions or fights. Similar to the foregoing expectations, Koopman (1983) and Janssen (2004) reported that other forms of participation led to different outcomes depending on low or high levels of conflict^{xxiv}. In the current research, conflict was equated with collisions being rooted in opposing organizational change forces, which is a clear indication of the latter. Probably, employee participation increases the number of discussions, because participants need to convince each other in the process towards joint decisions and that process may require discussions. Piderit (2000) added that participation may lead to dissent, disagreement and divergent opinions. These would contribute to making wiser group decisions and more effective organizational change. In such view, employee participation would lead to more small conflicts and to less large conflicts. Only the latter is confirmed in the current study, while the first has not been tested in the current research and therefore further research is recommended. The outcomes of the post-research interviews with managers and consultants did not add more clarity to the foregoing discussion. None of the interviewees disregarded any of the foregoing theories as impossible. Most called these theories plausible, but were not overly convinced. Future research is recommended to bring more clarity.

Future research on CRM effectiveness

The bottom-line research results presented in this chapter indicated a model fit hardly over fifty per cent. As this is much lower than 100 per cent, this means that there must be other influences beside the currently used mediators to play a (mediating) role in the relationship between employee participation and CRM effectiveness. There may be more mediators or moderators influencing the relationship between employee participation and CRM effectiveness. Some could be caused by chaotic influences from the empirical field, while others could be caused by variables that are currently still to be discovered. Consequently, a suggestion for further research is to enlarge the scope of the research and search for unknown effects that play a mediating or moderating role in this relationship.

Furthermore, the current research focused on perceptions on success from individual employees. Several of those employees participated and were found to influence the CRM organizational change outcomes. Those individual employee perceptions may not reflect

^{xxiv} Janssen (2004) reported possible moderating instead of mediating effects in a different context. Additional statistical tests on moderating effects have been performed in the current research, which have ruled out significant moderating effects in the current research from workload, stress and conflict on the relationship between employee participation and CRM effectiveness.

objectivity. Gupta & Zeithaml (2005) suggested to combine unobserved perceptual measures with observed behavioral and performance outcomes –like for example customer behavior and organizational profitability– on several aggregation levels. Based on the foregoing, it would be interesting to perform future research on unobserved variables related to individual employees' perceptions –e.g. employee satisfaction– with unobserved and observed variables related to individual customers –e.g. customer satisfaction and customer purchase behavior– together with observed variables on the organizational aggregation level –e.g. organizational profitability–. Gupta & Zeithaml (2006) provided an interesting overview of academic literature regarding the asymmetrical and nonlinear relationship between customer satisfaction and organizational financial performance. It would not be surprising if relationships between employee satisfaction and customer satisfaction and between employee satisfaction and organizational financial performance would exist and would show similar patterns. Because when certain employees are more satisfied, they may build customer relations more effectively, which may improve customer satisfaction as well. Or employee participation might add to customer satisfaction and via customer satisfaction improve organizational financial performance. If such relationships would be present, then it might be interesting to find out how much impact an increase in employee participation would have on financial performance measures like return on investment, or customer profitability. Verhoef, Van Doorn & Dorotic (2007) suggested further research on variables influencing the optimization of customer profitability.

Future longitudinal research

Based upon the generic assumption that nothing sustains forever, organizational change effects and CRM effectiveness would logically erode over time. In this particular case study, organizational change CRM effectiveness was measured shortly after the implementation of the CRM type of change. Three respondents wrote in the free comments field underneath their questionnaire that they found that moment quite early to identify organizational change CRM effectiveness. They needed time to get used to the change and to be able to identify and report the CRM effectiveness of organizational change. Similarly, in an interview a manager complained about the CRM effectiveness measured at a fixed, non-repeated moment in time that was unknown to change later. Nevertheless, this manager admitted that soon circumstances could be disturbing the CRM effectiveness, like for example the credit crisis that hit financial organizations after the research was conducted.

Huzzard (2004) stated, that it takes varying amounts of time before individual employees gain sufficient knowledge and skills before they feel confident to participate extensively. Participants are expected to advance up a learning curve at different speeds and from different starting points (Blake et al., 1989). Learning was also suggested to play a role in

the formation of attitudes. Grasping those learning curves is only possible when measures are repeated over time. Furthermore, Glew, O'Leary-Kelly, Griffin & Van Fleet (1995) suggested that (employee) participation would be more appropriate being researched as a process and not as a state. The foregoing may raise the following questions which require further research to be answered. What would be the effects of employee participation on organizational change CRM effectiveness over time? Would employee participation cause any lasting increases in CRM effectiveness, or would such influence diminish over time?

Schein (2002) added to the foregoing that different outcomes would be expected in different organizational change phases. In the first unlearning phase during the very first start of an organizational change, he expected several negative consequences, which he called organizational instability consequences. Based on his view, it could be possible that the job pressures levels –workload, conflict and stress– would increase in the beginning of an organizational change. After the unlearning change phase, a learning change phase was expected. In the current research, all data was gathered in that learning change phase, not the unlearning change phase. That might explain why such negative consequences have not negatively impacted CRM effectiveness in the current research. Those negative consequences might well have occurred at an earlier time. Similarly, Spector (1986) wrote that participation is expected to decrease conflict after a while, because participants usually receive increased job control and autonomy to solve conflict in their best interests.

Thus, the variables from the current research might show increasing or decreasing average values, depending on the measuring moment. Longitudinal research may add insights in these processes over time, although such research should be considered with care because in any empirical field situation most variables are subject to uncontrollable side effects from outside a research model. The foregoing means that if different outcomes over time would be found in empirical longitudinal research, these differences might be partly caused by learning curves and partly by uncontrollable side effects.

Future research in a larger scope

In the method chapter it was assumed that the environment outside the current research scope remained stable.

However, environmental circumstances might be influential on employee participation in (CRM) organizational change research outcomes. For example, Gill (1993) researched participation in technological change in twelve member states of the European Union and found that Northern European countries showed much higher participation levels than Southern European countries. Those participation levels were suggested to lead to different change outcomes in different countries and cultures (Gill, 1993).

If the current research would have been performed outside the Netherlands, would then a different level of employee participation been found, causing different outcomes in CRM effectiveness? What if employee participation would have been introduced in other countries with different cultures, or in other types of organizations implementing different types of organizational change? The current research cannot answer those questions, therefore future research on those environmental influences is recommended.

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Why participation works: the role of employee involvement in the implementation of the customer relationship management type of organizational change (dissertation J.T. Bouma).

SUMMARY

The current research combines insights in two research areas: *human resource management* (HRM) and *customer relationship management* (CRM).

In the HRM research area employees influencing organizations are usually referred to using the *participation* label. Participation was first defined as group involvement, or group decision making, equalization of influence or power sharing. Later, scholars defined participation as involvement in organizational decision making. Despite the fact that academic literature describing participation is extensive, scholars seem not to agree whether participation is positively related to organizational change outcomes, or negatively. Such controversy makes this rather old research field -with publications starting from 1948- particularly interesting today. Currently it is still unclear whether there would be any (direct) relationship between participation and organizational change success. Even with no direct relationship, an indirect relationship between participation and organizational change success could still exist. In such view, participation may lead to intermediary effects, which sometimes lead to positive, sometimes to negative, and sometimes to a net result of zero organizational change success. Mediating entities that form part of a supposedly causal chain between participation and organizational change success may then explain the difference between positive and negative contributions. The following supposed mediating entities were suggested by scholars to play an important role in such causal chain: *intrapersonal attitudes*, *interpersonal relations*, *job pressures* and *job contents*. Based on theory it was assumed that these intrapersonal attitudes consist out of both constructs *ownership* and *satisfaction*, while interpersonal relations consist out of both constructs *being trusted* and *trusting others*, job pressures consist out of three constructs *workload*, *conflict* and *stress*, and job contents consist out of the construct *local fit*. The latter was described as an indicator of the amount of fit between changes in jobs of individual employees and changes of an organization.

In the CRM research area it was reported that *employee participation* played an important role in a particular organizational change type: the implementation of *customer relationship management* (CRM). Employee participation (independent variable) was defined as the amount of active involvement of (an) individual employee(s) in decisions regarding customer relationship management (CRM) organizational change in Dutch financial organizations. CRM was defined as the engagement of individual customers in a meaningful dialogue with employees so that firms can customize their products and services to attract, develop and retain customers. Furthermore, *CRM effectiveness* (dependent variable) was defined as the amount of successful customer relationship management (CRM) organizational change from the perception of (an) individual employee(s).

In order to research the foregoing in a limited timeframe and with limited funding, the *research scope* is limited to one aggregation level –perceptions from individual employees– being applied to one organizational change type –implementation of customer relationship management– within one cultural context –financial organizations in the Netherlands–.

Based on the foregoing, the current *central research objective* was formulated: to add insights to the academic and to the professional practitioners' knowledge regarding the role of employee participation and several supposedly mediating entities –intrapersonal attitudes, interpersonal relations, job pressures and job contents– in the customer relationship management (CRM) type of organizational change in Dutch financial organizations. To achieve the current research objective, the following *central research question* is researched: in which way does employee participation and its mediating entities influence the effectiveness of the customer relationship management (CRM) type of organizational change in Dutch financial organizations? After answering the foregoing research question, two research areas are provided with further insights. In the human resource management (HRM) research area, the current research aims to contribute to the current understanding of employee participation, its consequences and their influence on organizational change effectiveness. In the customer relationship management (CRM) research area, the current research aims to contribute to the current understanding of CRM effectiveness and its potential predecessors like employee participation.

Next, a research model was constructed and tested using a *non-experimental field study*. Preliminary interviews were conducted with managers, consultants and scholars to construct the items and scales underlying this research model. Between 2003 and 2006 sixteen financial organizations cooperated with the current research. In these sixteen organizations, the jobs of 1217 individual employees in the Netherlands were changed because of the implementation of CRM. Between six and twelve months after all employees started using CRM in their jobs, all these individual employees were asked orally by their managers and in writing via an e-mail to fill out one questionnaire during working hours. The questionnaire was provided online and data was processed automatically to avoid coding errors. After the quantitative data from 732 employees was gathered (60.15 per cent response rate), interviews were conducted with managers and consultants from all organizations under study to add qualitative insights to the quantitative data.

Current research results support the view that employee participation contributes to a greater CRM effectiveness of organizational change through the positively mediating roles of ownership, satisfaction, being trusted, trusting others and local fit. Some of these mediators obviously contribute more than others. The strongest mediators in this research are satisfaction, being trusted and trusting others. Due to its positive influences on the foregoing mediators, employee participation positively influences CRM effectiveness in the current research.

Some supposedly mediating variables come differently into view when studied alone or when studied together with other variables. When *workload* is researched apart from the other variables, its added value to such isolated research model is found negligible. Furthermore, the added value of *stress* is reduced strongly and is hardly present anymore upon the addition of workload and conflict. Consequently, the mediating effect of stress seems to be cannibalized mainly by conflict. Results show that *conflict* plays a specific

mediating role: due to its conflict reducing effects, employee participation adds to CRM effectiveness in the current research. As a consequence, from the three job pressures (workload, stress, conflict) only conflict was supported as a mediator between employee participation and CRM effectiveness. Meanwhile workload, stress and conflict influence each other in the current research.

In the organizations in the current research, the *average amount of employee participation* is close to the low end of the scale. The previously described post-research interviews with managers and consultants working for all sixteen organizations add quantitative insights. Most interviewed managers mentioned that the majority of employees did not wish to participate. Some consultants considered it unwise to force them into participation, because they expected force to ignite resistance among these unwilling employees. The foregoing summarizes the explanation for the relatively low employee participation average in the current research.

The *average amount of CRM effectiveness* among individual employees in the current research is slightly lower than the middle of the scale. This does not indicate overly successful CRM implementations. Post-research interviews revealed that almost all managers and consultants started with much higher expectations that did not come true. They had expected that the relationships with customers would have increased much more because of the introduction of CRM. In the light of the relative low level of employee participation (independent variable), a not very high level of CRM effectiveness (dependent variable) can be considered logical. Interviews with managers and consultants revealed additional information. The majority of these managers and consultants mentioned having underestimated the human component as an important reason for not reaching the maximum possible CRM effectiveness. Several managers indicated that they were not finished implementing CRM, which was a clear indication that the organizations under study were still adding small incremental improvements. Some interviewees called the foregoing their learning process towards improved customer relationships.

The results from the current research show several practical and theoretical implications. Obviously, employee participation can be considered an useful organizational *change instrument*. Apparently, even a low average level of employee participation contributes positively to the effectiveness of customer relationship management organizational change. For practitioners is recommended to monitor and measure all variables that positively or negatively contribute to CRM effectiveness –like satisfaction, trust and conflict– throughout every CRM organizational change. When *managers* and *consultants* measure those variables repeatedly on all their CRM projects, they may obtain information that points out where possible threats and opportunities exist on the path to improved customer relationships. This information can be used for steering the organizational change towards more success. Actions based on these insights are important for raising the CRM organizational success rate to a higher level. Individual *employees* participating in organizational change should be aware that their active involvement influences more than just the local fit of the change contents. Employee participation in CRM organizational change can positively influence their intrapersonal attitudes –like satisfaction– and their interpersonal relations –like trust–. Furthermore, participants should watch out for job pressures –like conflict–, because those job pressures may jeopardize the success of a CRM organizational change.

The current research has *contributed insights* to two academic research fields: the human resource management (HRM) and the customer relationship management (CRM) area. In the first research area, the current research aims to contribute to the current understanding that even a low level of employee participation can positively –via several mediators– increase organizational change effectiveness. In the second research area, the current research aims to contribute to the current understanding that CRM effectiveness can be increased by the introduction of employee participation.

Some side remarks can be made regarding the current research. Results indicated that employee participation together with the previously mentioned mediators explained 51 per cent of the variance in CRM effectiveness. As this *explanatory value* is much lower than one hundred per cent, there must be more influences outside the current research model to play a role in the relationship between employee participation and CRM effectiveness. Some may be uncontrollable side effects that cannot be avoided in such an empirical field situation, while others may be identifiable and add to the current understanding of employee participation in CRM organizational change. Consequently, a *suggestion for further research* is to enlarge the scope of the research and try to find more variables that play a mediating or moderating role in this relationship. Future research could also shine more light on the effects of high versus low employee participation.

Finally, based upon the generic assumption that nothing sustains forever, organizational change effects would logically erode over time. Thus, CRM effectiveness and other organizational change related elements might differ depending on the measurement moment. Future *longitudinal research* might add insights in any possible changing influences of change related elements like employee participation during organizational change.

Why participation works: the role of employee involvement in the implementation of the customer relationship management type of organizational change (dissertation J.T. Bouma).

SAMENVATTING

Het hier gepresenteerde onderzoek combineert inzichten in twee onderzoeksgebieden: *human resource management* (HRM) en *customer relationship management* (CRM).

In het HRM onderzoeksgebied wordt het proces waarin medewerkers organisaties beïnvloeden normaliter aangeduid met de term *participatie*. Participatie werd vroeger gedefinieerd als de groepsinvloed, het groepsbeslissingsproces, de medewerkersinvloed- of machtsdeling. Later definiëerden wetenschappers participatie veelal als betrokkenheid in het beslissingsproces. Afgezien van het feit dat veel academische literatuur participatie beschrijft, zijn wetenschappers het niet eens over of participatie positief danwel negatief bijdraagt aan organisatieveranderingsuitkomsten. Deze controverse maakt dit oude onderzoeksgebied –met wetenschappelijke publicaties sinds 1948– vandaag de dag bijzonder interessant. Het is nog steeds onduidelijk of tussen participatie en succesvolle organisatieveranderingen enige (directe) relatie bestaat. Indien daartussen geen directe relatie zou bestaan, dan is een indirecte relatie tussen participatie en organisatieverandersucces nog wel mogelijk. Een dergelijke visie betekent dat participatie zou kunnen leiden tot mediërende effecten, die soms leiden tot positieve, soms tot negatieve en soms tot geen organisatieverandersucces. Zogenaamde mediërende elementen die deel uitmaken van een mogelijke ketting van oorzaken en gevolgen tussen participatie en organisatieverandersucces kunnen dan mogelijk de verschillen verklaren tussen gevonden positieve en negatieve verbanden. Wetenschappers hebben diverse zogenaamde mediërende elementen aangedragen die hierin mogelijk een belangrijke rol zouden kunnen spelen: *intrapersoonlijke attitudes*, *interpersoonlijke relaties*, *werkomstandigheden* en *werkinhoud*. Op basis van diverse theorieën wordt aangenomen dat intrapersoonlijke attitudes bestaan uit de variabelen *eigenaarschap* en *tevreidenheid*, terwijl de interpersoonlijke relaties bestaan uit de variabelen *vertrouwd worden* en *vertrouwen uitdragen*, dat werkomstandigheden bestaan uit de variabelen *werklast*, *conflicten* en *stress* en dat werkinhoud bestaat uit de variabele *lokale passendheid*. De laatstgenoemde variabele heeft betrekking op de mate van passendheid van veranderde werkzaamheden van (een) individuele medewerker(s) ten opzichte van een veranderende organisatie.

In het CRM onderzoeksgebied rapporteerden wetenschappelijke onderzoekers dat *medewerkersparticipatie* een belangrijke rol speelde in een specifiek organisatieverandertype: de implementatie van *customer relationship management* (CRM). Medewerkersparticipatie (onafhankelijke variabele) werd gedefinieerd als de mate van actieve betrokkenheid van (een) individuele medewerker(s) bij beslissingen aangaande CRM organisatieveranderingen. CRM werd gedefinieerd als het aangaan van een inhoudelijke dialoog tussen individuele klanten en individuele medewerkers, zodat organisaties hun producten en diensten kunnen verbeteren om klanten aan te kunnen trekken, relaties met klanten te kunnen ontwikkelen en klanten te kunnen behouden. Tevens werd CRM

effectiviteit (afhankelijke variabele) gedefinieerd als de mate van een succesvolle CRM organisatieverandering vanuit de perceptie van (een) individuele medewerker(s).

Om het voorgaande te kunnen onderzoeken was *afbakening* nodig, aangezien logischerwijs geen sprake kan zijn van ongelimiteerd(e) onderzoekstijd en -geld. Daarom werd het onderzoek gelimiteerd tot één aggregatieniveau –percepties van individuele medewerkers– en toegespitst op één organisatieverandertype –implementatie van CRM– in één specifieke culturele context –financiële organisaties binnen Nederland–.

Vervolgens werd het volgende *centrale onderzoeksdoel* geformuleerd: om meer inzicht te brengen in de theorie en de praktijk ten aanzien van de rol van medewerkersparticipatie en diverse mediërende elementen –intrapersoonlijke attitudes, interpersoonlijke relaties, werkomstandigheden en werkinhoud– die een positieve danwel negatieve bijdrage leveren ten aanzien van het bewerkstelligen van CRM effectiviteit bij financiële organisaties in Nederland. Om dit centrale doel te bereiken, werd de volgende *centrale onderzoeksvraag* onderzocht: op welke wijze beïnvloedt medewerkersparticipatie via deze mediërende elementen de CRM effectiviteit bij financiële organisaties in Nederland? Na beantwoording van deze centrale onderzoeksvraag zouden nieuwe inzichten kunnen worden toegevoegd aan twee onderzoeksgebieden. In het HRM onderzoeksgebied trachtte het huidige onderzoek een bijdrage te leveren aan de kennis op het gebied van medewerkersparticipatie, de consequenties daarvan en de diverse invloeden op een bepaalde effectiviteit van een organisatieverandering. In het CRM onderzoeksgebied trachtte het huidige onderzoek een bijdrage te leveren aan de kennis ten aanzien van het verbeteren van de CRM effectiviteit door middel van medewerkersparticipatie en de mediërende elementen.

Het voorgaande leidde tot het ontwikkelen van een onderzoeksmodel dat werd getest middels een *non-experimentele veldstudie*. Interviews werden gehouden met managers, consultants en wetenschappers om de items en schalen onderliggend aan het onderzoeksmodel vooraf te toetsen. Tussen 2003 en 2006 hebben zestien Nederlandse financiële instellingen meegewerkt aan dit onderzoek. In deze zestien organisaties veranderde het werk van 1217 medewerkers vanwege de invoering van CRM. Tussen de zes en twaalf maanden nadat de medewerkers CRM gingen gebruiken tijdens hun werk, werden al deze individuele medewerkers mondeling gevraagd door hun managers om mee te doen aan het onderzoek en vervolgens schriftelijk via een e-mail geattendeerd op een online vragenlijst. Deze kon worden ingevuld tijdens werktijd. De ingevulde antwoorden op de vragenlijst werden automatisch verzonden via internet en opgeslagen, waardoor menselijke codeerfouten werden voorkomen. Nadat de ingevulde vragenlijsten van 732 medewerkers werden verzameld (60,15 procent respons), werden interviews gehouden met managers en consultants van alle onderzochte organisaties teneinde kwalitatieve inzichten toe te voegen aan de kwantitatieve data.

De resultaten van het huidige onderzoek wijzen op een positieve bijdrage van medewerkersparticipatie op de effectiviteit van CRM organisatieveranderingen via de mediërende werking van eigenaarschap, tevredenheid, vertrouwd worden, vertrouwen uitdragen en de lokale passendheid. Bepaalde mediatoren blijken een grotere bijdrage te leveren aan de onderzoeksresultaten dan andere. De sterkste mediators in dit onderzoek zijn: tevredenheid, vertrouwd worden en vertrouwen uitdragen. Medewerkersparticipatie

draagt via de positieve invloeden van de voorgaande mediators bij aan een verbeterde CRM effectiviteit in het huidige onderzoek.

Sommige hypothetische mediators blijken sterkere of minder sterke rollen te spelen, afhankelijk van of ze in isolatie of tegelijk met andere mediators werden onderzocht. Indien *werklast* los van andere mediators wordt onderzocht, blijkt de toegevoegde waarde van deze mediator in het onderzoeksmodel verwaarloosbaar. Tevens blijkt de toegevoegde waarde van *stress* sterk af te nemen tot een amper meetbaar niveau na toevoeging van werklast en conflicten aan het onderzoeksmodel. Vooral *conflicten* lijken een kannibaliserende werking te hebben op werklast en stress. De onderzoeksresultaten laten zien dat conflicten een specifieke mediërende rol vertonen. Medewerkersparticipatie leidt tot een vermindering van conflicten tussen medewerkers, hetgeen positief bijdraagt aan de CRM effectiviteit in het huidige onderzoek. Uit het voorgaande blijkt, dat van de drie werkomstandigheden werklast, stress en conflicten uitsluitend de laatste kan worden beschouwd als een mediator tussen medewerkersparticipatie en CRM effectiviteit. Ondertussen blijken werklast, stress en conflicten sterk met elkaar samen te hangen in het huidige onderzoek.

In de onderzochte organisaties blijkt de *gemiddelde medewerkersparticipatie* relatief dichtbij het laagste punt van de schaal. De interviewresultaten met managers en consultants van alle onderzochte organisaties na afronding van het onderzoek bieden een verklaring hiervoor. De meeste geïnterviewde managers vertelden dat de meerderheid van de medewerkers helemaal niet zat te wachten op medewerkersparticipatie. Sommige consultants noemden het niet verstandig om deze mensen gedwongen te laten participeren omdat ze verwachtten dat dwang weerstanden zou oproepen. Hierdoor participeerde lang niet iedere medewerker in de CRM organisatieveranderingen. Dit verklaart –kort samengevat– de relatieve lage gemiddelde medewerkersparticipatie in het huidige onderzoek.

De *gemiddelde CRM effectiviteit* in de percepties van individuele medewerkers blijkt iets lager dan het gemiddelde van de schaal. Dit duidt niet bepaald op bijzonder succesvolle CRM organisatieveranderingen. Uit de interviewresultaten na afloop van het onderzoek blijkt, dat vrijwel alle managers en consultants vooraf hogere verwachtingen hadden die achteraf niet zijn uitgekomen. Ze hadden vooraf verwacht dat de relaties met klanten sterker zouden verbeteren dankzij de invoering van CRM. In het licht van de relatieve lage gemiddelde score op medewerkersparticipatie (onafhankelijke variabele) zoals hiervoor beschreven, is een dergelijk niet al te hoge gemiddelde CRM effectiviteit (afhankelijke variabele) niet onlogisch. De interviews hebben nog meer rijke informatie opgeleverd. De meerderheid van deze managers en consultants vertelde dat ze de menselijke component hadden onderschat en gaven aan dat dat wellicht een belangrijke reden was voor het niet bereiken van een hoge gemiddelde CRM effectiviteit. Verschillende managers vertelden tevens dat ze nog niet klaar waren met de CRM organisatieverandering, hetgeen duidelijk maakt dat de organisaties gedurende en na afloop van het huidige onderzoek nog bezig waren met incrementele verbeteringen. Sommige geïnterviewden noemden dit hun leerproces gericht op verbeterde klantrelaties.

De resultaten uit het huidige onderzoek kennen diverse theoretische implicaties en geven duidelijk aan dat medewerkersparticipatie een bruikbaar *veranderinstrument* kan zijn voor organisaties die CRM implementeren. Zelfs een gemiddeld lage medewerkersparticipatie

draagt reeds positief bij aan de effectiviteit van een CRM organisatieverandering. In de praktijk wordt aangeraden om alle variabelen die positief of negatief samenhangen met CRM effectiviteit –zoals tevredenheid, vertrouwen en conflicten– te monitoren tijdens elke CRM organisatieverandering. Indien *managers* en *consultants* deze variabelen regelmatig meten tijdens alle CRM projecten, dan levert dat informatie op ten aanzien van mogelijke bedreigingen en kansen op het pad naar verbeterde klantrelaties. Deze informatie kan worden gebruikt om de organisatieverandering te sturen richting meer succes. Acties die zijn gebaseerd op deze inzichten zijn belangrijk om de succeskans van CRM organisatieveranderingen naar een hoger niveau te tillen. Individuele *medewerkers* die actief betrokken zijn bij organisatieveranderingen kunnen uit dit onderzoek het inzicht halen dat zij meer kunnen beïnvloeden dan alleen de lokale passendheid van de organisatieverandering. Medewerkersparticipatie kan intrapersonlijke attitudes – waaronder de eigen tevredenheid– en interpersoonlijke relaties –waaronder het onderling vertrouwen– versterken. Tevens kunnen participanten op basis van de voorgaande onderzoeksresultaten concluderen dat ze moeten oppassen voor negatieve werkomstandigheden –waaronder werklust, stress en conflicten– tijdens een CRM organisatieverandering, omdat deze werkomstandigheden het eindresultaat in gevaar kunnen brengen.

De huidige onderzoeksresultaten hebben *nieuwe inzichten* opgeleverd in twee academische onderzoeksgebieden: HRM en CRM. In het eerste onderzoeksgebied draagt het huidige onderzoek bij aan de kennis ten aanzien van medewerkersparticipatie, dat zelfs een lage mate van medewerkersparticipatie via diverse mediators een duidelijke verbetering kan bewerkstelligen in de effectiviteit van organisatieveranderingen. In het tweede onderzoeksgebied heeft het huidige onderzoek bijgedragen aan de kennis van de wijze waarop de effectiviteit van CRM organisatieveranderingen kunnen worden verbeterd.

Enkele kanttekeningen dienen te worden gemaakt ten aanzien van het huidige onderzoek. De onderzoeksresultaten geven aan, dat medewerkersparticipatie samen met de mediators in het onderzoeksmodel 51 procent verklaring bieden van de variantie in CRM effectiviteit. Aangezien deze *verklarende waarde* beduidend lager ligt dan honderd procent, betekent dit dat ook andere aspecten buiten het huidige onderzoeksmodel van invloed kunnen zijn op de relatie tussen medewerkersparticipatie en CRM effectiviteit. Sommige daarvan zouden wel eens oncontroleerbaar en onvermijdbaar kunnen zijn in een dergelijk empirisch onderzoeksveld, terwijl andere aspecten mogelijk identificeerbaar en meetbaar blijken. Toekomstig *vervolgonderzoek* kan zich richten op de zoektocht naar additionele variabelen die een rol zouden kunnen spelen bij medewerkersparticipatie en CRM organisatieveranderingen. Vervolgonderzoek zou misschien tevens helderheid kunnen brengen in de effecten van lage versus hoge gemiddelde medewerkersparticipatie.

Tenslotte, gebaseerd op de generieke aanname dat niets eeuwig beklijft lijkt het niet onlogisch dat diverse effecten rondom organisatieveranderingen in de loop der tijd wel eens zouden kunnen vergaan. Voortredend hierop zouden de invloeden van diverse aspecten rondom organisatieveranderingen wellicht kunnen verschillen afhankelijk van het meetmoment. Dit pleit voor *longitudinaal* vervolgonderzoek, hetgeen helderheid kan brengen in mogelijke veranderende invloeden van onder andere medewerkersparticipatie op organisatieveranderingen.

Why participation works: the role of employee involvement in the implementation of the customer relationship management type of organizational change (dissertation J.T. Bouma).

VERKORTE SAMENVATTING

Het proces waarin medewerkers organisaties beïnvloeden wordt ook wel participatie genoemd. In dit proefschrift wordt het onderzoek beschreven naar de wijze waarop medewerkersparticipatie via zogenaamde mediërende effecten leidt tot effectieve organisatieveranderingen.

Het huidige onderzoek is gelimiteerd tot één aggregatieniveau –percepties van individuele medewerkers– en toespitst op één organisatieverandertype –implementatie van customer relationship management (CRM)– in één specifieke culturele context –financiële organisaties in Nederland–. Daarbij wordt CRM gedefinieerd als het aangaan van een inhoudelijke dialoog tussen klanten en medewerkers, opdat organisaties hun producten en diensten kunnen verbeteren om klanten aan te kunnen trekken, relaties met klanten te kunnen ontwikkelen en klanten te kunnen behouden.

Het onderzoeksmodel is getoetst bij zestien Nederlandse financiële instellingen. In deze organisaties veranderde het werk van 1217 medewerkers vanwege de invoering van CRM. Middels interviews en vragenlijsten heeft 60 procent van deze medewerkers meegewerkt aan het onderzoek.

De onderzoeksresultaten wijzen op een positieve bijdrage van medewerkersparticipatie op de effectiviteit van CRM organisatieveranderingen via de mediërende werking van eigenaarschap, tevredenheid, vertrouwd worden, vertrouwen uitdragen, conflicten en lokale passendheid. Medewerkersparticipatie draagt via de invloeden van de voorgaande mediators bij aan een verbeterde CRM effectiviteit in het huidige onderzoek. Zelfs een lage medewerkersparticipatie draagt reeds positief bij aan de effectiviteit van een CRM organisatieverandering.

Why participation works: the role of employee involvement in the implementation of the customer relationship management type of organizational change (dissertation J.T. Bouma).

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